

The Newport Argument Relocation details on 0633 56906

Kidnap victim freed for £2m ransom

Kidnapped Arab millionaire Mohammed Sadiq al-Tajer was found in a south London street chained to a bedstead yesterday after a \$2m (£2.1m) ransom was paid.

Aden battles continue

Tank battles continued yesterday in Aden amid reports that talks between the South Yemen Government and rebel forces had broken down.

Gunmen hold Spaniards

Three Spanish embassy officials were kidnapped by Beirut gunmen, hours after Spain established diplomatic relations with Israel.

Channel tunnel hopes

The Channel Tunnel Group-France Manche rail tunnel scheme appeared to have taken the lead in the competition to build a fixed Channel link.

Lesotho fighting denied

Lesotho denied a South African radio report that fighting had broken out in its capital, Maseru.

Uganda violence flares

Heavy fighting erupted in Uganda between government troops and the rebel National Resistance Army, a month after a ceasefire agreement.

Law reform pledge

Consumer reaction to proposals for radical reform of the legal profession will be taken seriously, the Law Society said.

Sell land, councils told

Sixteen English local authorities were told to dispose of 125 acres of their unused or under-used land.

EI AI suspends flights

EI AI Israeli airline is to suspend flights to Manchester after a disagreement with the Transport Department over new security arrangements.

Algerian change backed

Revisions to Algeria's constitution, putting greater emphasis on private enterprise and Islam, were supported by 98.37 per cent of the population in a referendum.

Banks double rewards

Banks are doubling to £10,000 their reward for help in convicting hawk robbers.

High and dry

The US space shuttle Columbia's landing was postponed for a second day because of rain at Cape Canaveral.

Football ban eased

Belgium eased its ban on British soccer teams, imposed after the European Cup final riot, to allow amateur clubs in.

Woman bites dog

The Kennel Club censured dog-biter Nataka Czartoryska for hitting her dog after it lunged at a passer-by at the Welsh Kennel Club show.

Small voices heard between the thundering notes

THEY WERE talking of £75m rescue deals at the Westland shareholders' extraordinary general meeting yesterday but Mrs Annie Constance Palmer was at the Royal Albert Hall for the sole purpose of putting in her two-pennorth, writes Fiona Thompson.

Women's Institute hymn. Jerusalem, yesterday heard the still, small voice—and vote—of the little investor, too.

In the event, says Westland, only 470 shareholders or proxies attended, barely more than a fifth of the hall's capacity.

Sikorsky package, opened proceedings promptly at 10.30am. Twenty minutes into his opening speech his voice showed signs of giving out.

handedness in telephoning shareholders at home wanting to know why their proxy votes had not been received.

Westland ballot on Sikorsky falls short

THE BOARD of Westland, the British helicopter manufacturer, failed to win the necessary 75 per cent majority yesterday for its favoured solution of a link with Sikorsky, the US helicopter company, and Fiat of Italy.

democratic verdict of the ballot box." He said the company might face "the appalling prospect of a stalemate, unless the consortium allowed its proposals to lapse."

vote. He would return to the US while the Westland board examined contingency plans, he said.

Some speakers, most vehemently a Mr Starling from Havant, Hants, a small shareholder for 23 years, complained of Westland's heavy-

handness in telephoning shareholders at home wanting to know why their proxy votes had not been received.

Lygo explains Brittan meeting

SIR RAYMOND LYGO, chief executive of British Aerospace, yesterday said he might have been mistaken in his accusation that Mr Leon Brittan, Trade and Industry Secretary, had applied pressure on his company at a meeting last week, to withdraw from the European consortium which is seeking to rescue Westland. He said there had been "an unfortunate misunderstanding."

Mr Heseltine has been losing political momentum in the past two days, despite yesterday's outcome of the Westland shareholders' meeting.

Social Security Bill fails to show impact of changes

THE GOVERNMENT'S Social Security Bill published yesterday outlines radical changes to benefits and pensions while providing no information about the impact on individuals.

cost together with the introduction of personal pension schemes for all employees who want them.

Mr Fowler yesterday confirmed his commitment to applying the rebate to all employees and to introducing the 2 per cent incentive.

It is understood the company had had discussions with DTI officials about a form of words for a letter which would satisfy both sides. It then became clear that the letter was being interpreted as a withdrawal on Sir Raymond's part.

Lygo-Brittan letters, Page 5; Man in the news, Page 6.

Hurd go-ahead for DBS likely

THE GOVERNMENT is likely to give the go-ahead for the Independent Broadcasting Authority to advertise the franchise for a British direct broadcasting by satellite (DBS) project.

An important new factor is a favourable assessment of DBS potential by a team led by Mr John Jackson, chairman of Celltech, the British biotechnology company.

Mr Jackson carried out the work in association with Britsat, a company backed by Ferranti, which hopes to provide the satellites for British DBS.

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MARKETS table with columns for DOLLAR, STERLING, LONDON MONEY, STOCK INDICES, and GOLD.

CONTENTS table listing various articles and their page numbers.

Table listing various markets and their current status.

WEEKEND FT



DESIGN FT Management Post editor Christopher Lorenz describes how manufacturers have upgraded the industrial designer's imaginative skills. Page 1



FINANCE Barry Riley talks to John Templeton, millionaire guru of US fund managers. Page 14



DOWSING Uri Geller, metal-bender extraordinaire, is now applying his psychic powers to his exploration budgets in the mining industry—for a price. Page X



PRIVATE VIEW David Steel casts a critical eye at political beloe in news and current affairs broadcasting. Page XIV

OVERSEAS NEWS

S. Yemen tank battles rage as peace bid fails

BY KATHLEEN EVANS IN DUBAI

TANK BATTLES again raged in the streets of Aden, the capital of South Yemen, yesterday...



Moscow's cultural offensive draws first blood

BY REGINALD DALE, US EDITOR IN WASHINGTON

MOSCOW'S CULTURAL offensive against "anti-Soviet hysteria" in the American film industry has drawn its first blood...

ABC's cultural offensive has clearly lost all balance, first in budgeting so much time and money for an absurd treatment of Soviet-American relations...

Moscow, with varying degrees of anti-Sovietism, as the enemy, and parodies of Russians have suddenly sprung up in TV commercials...

S. Africa, Lesotho meet on closer security links

BY TOMMY ROBINSON IN JOHANNESBURG

SENIOR POLITICAL and security officials from South Africa and Lesotho met in Pretoria yesterday to hammer out terms of closer co-operation on security issues...

Spain opens formal links with Israel

By Tom Burns in Madrid

A LONGSTANDING and increasingly embarrassing anomaly in Spain's foreign policy was rectified yesterday with the announcement that Madrid was extending formal diplomatic recognition to Israel...

Gorbachev's arms proposals puzzle US

BY OUR U.S. EDITOR IN WASHINGTON

THE REAGAN Administration was yesterday urgently studying the latest surprise arms control initiative by Mr Mikhail Gorbachev...

That Mr Gorbachev might have opened the possibility of a compromise on President Ronald Reagan's Star Wars space defence programme by calling for a ban on "development, test and deployment" of defensive weapons...

Fighting erupts in Uganda

By Mary Anne Fitzgerald in Nairobi

HEAVY fighting erupted between government troops and the rebel National Resistance Army yesterday afternoon, shattering Uganda's ceasefire agreement and moving the country a step closer to civil war...

Lebanese clashes continue

BY NORA BOUSTANY IN BEIRUT

SPORADIC fighting across the hills surrounding the Christian enclave of East Beirut continued yesterday as Lebanese factions braced themselves for a revised Syrian policy in reaction to the setback to a Damascus peace pact for Lebanon...

UK may seek to confirm Euro-missile shift

BY DAVID BUCHAN

MR MIKHAIL GORBACHEV'S latest proposal calling for an end to nuclear weapons by the year 2000 appears to contain a significant shift in the Soviet position on Europe-based missiles...

Sweden's trade surplus declines to SKr 15.8bn

BY DAVID DODWELL IN HONG KONG

SWEDEN'S TRADE surplus declined to SKr 15.8bn (£1.37bn) last year from SKr 24.3bn in 1984, and the country lost market shares abroad despite an estimated 3 per cent increase in the volume of exports...

Nigeria to reschedule debt on loan-by-loan basis

BY DAVID DODWELL IN HONG KONG

NIGERIA'S planned rescheduling of some of its medium and long term debt will be approached on a loan-by-loan basis, Finance Minister said yesterday...

Controversy grows over Hong Kong's non-Chinese minority

BY DAVID DODWELL IN HONG KONG

"WE MAY be hatered children," says Mr Lachman Narain, one of the leading members of Hong Kong's minority Indian Community, "but sometimes, a Government must take care even of its hatered children..."

Scant attention has been given to the non-Chinese minority, who because of China's nationality law, cannot qualify to become Chinese citizens—at least for three generations...

Hong Kong legislators said yesterday that Britain risked undermining its authority in the colony by its stance on citizenship for minorities there, Reuter reports...

Two days ago when Miss Lydia Dunn, effective political leader of Hong Kong's Legislative Council, launched an attack on the British Government, insisting that a failure to help the minority would add to the profound resentment felt by many of Britain's most loyal subjects...

Surge of refugees alarms West Berlin

BY LESLIE COLT IN WEST BERLIN

A RECORD number of asylum seekers from the Third World are streaming into West Berlin and West Germany via East Germany as the result of an agreement under which East Germany halted the flow of refugees last month...

from underground and elevated railway, they emerge in the centre of West Berlin without being colled by the West. West Berlin officials claim the Third World refugees are in most cases attracted by "travel service" ads in their local newspapers...

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Metal Box to axe 421 jobs at Neath

By Tony Jackson METAL BOX, the packaging group, is to make 421 redundant in the unemployment-rack south Wales...

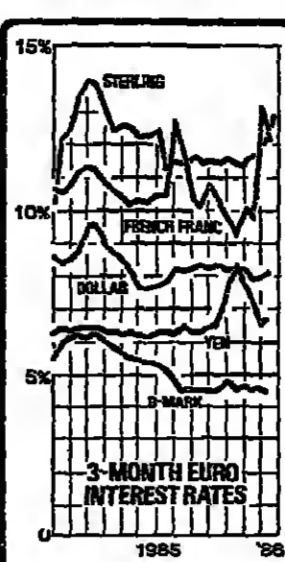
Philip Stephens on the Group of Five meeting which could have a decisive impact on money markets The global financial implications of a private affair

FINANCE ministers from the Group of Five leading industrial nations hoped their talks in London this weekend would be a private affair. Instead, the meeting, scheduled to begin over dinner tonight and run through until tomorrow lunchtime, is being held against the background of nervous suspense in international financial markets...

Mr Nigel Lawson, the Chancellor, was yesterday urged by Mr Tooy Blair, a Labour Treasury spokesman to back a co-ordinated cut in interest rates at this weekend's Group of Five meeting. Mr Blair wrote to Mr Lawson urging him to support a Japanese initiative, backed by France, for the meeting to agree a co-ordinated world interest rate policy to achieve a cut in rates in the immediate future...

Participants at the meeting say that there is a general recognition that the dollar is still overvalued. However, both domestic considerations in the US and development elsewhere argue for some pause before a renewed assault by the leading central banks. Prominent figures in the Washington administration have made it known that they would like to see perhaps another 10 per cent to 20 per cent drop in the US currency's value to staunch the still-rising US current account deficit.

Mr Paul Volcker, the Federal Reserve Board chairman, is known to be anxious about the risk of a free-fall in the dollar's value which could re-ignite inflationary pressures in the US. At the same time he is reported to be concerned not to take any action which would borrowing costs are obvious. It would give a boost to the world economic recovery at a time when weak commodity and oil prices have reduced the risks of an upturn in inflation.



Central banks in general are far less willing to put a grand international gesture ahead of their individual domestic considerations, particularly since they tend to be less sanguine than their finance ministers about the defeat of inflation. The idea of ministers sitting down and agreeing a simultaneous cut in interest rates is pure fantasy, one central banker commented. That, however, does not exclude the possibility that the meeting this weekend will create a climate of opinion which will encourage nations to take the opportunity to cut their interest rates when domestic considerations allow.

Help sought on tin crisis from G5 ministers

By Stefan Wagstyl BANKS and metal brokers who stand to lose hundreds of millions of pounds in the tin crisis have appealed for help to ministers attending the Group of Five meeting this weekend. They want the ministers to exert pressure on the International Tin Council to honour its debts. They hope the British team led by Mr Nigel Lawson, the Chancellor, will take the opportunity to press their West German and French counterparts to help fund a rescue. The moves coincide with the failure yesterday of a round of informal discussions between representatives of the council and of the creditor banks and metal brokers.

Government borrows £1.7bn in December

BY GEORGE GRAHAM THE GOVERNMENT borrowed £1.7bn last month, bringing the total public sector borrowing requirement for the first nine months of the fiscal year to £7.5bn. The Treasury said the nine-month requirement was consistent with the Government's £8bn overall borrowing target for the year, revised upwards in the Autumn Statement last November from the £7.1bn Budget forecast. Government revenues in January to March are boosted by tax payments, so reducing borrowing needs. The figures fell within the range forecast by City economists and was greeted with equanimity by the gilt market. Consolidated Fund revenue last month was £3.3bn, bringing the total for the first nine months of the fiscal year to £7.6bn. This is 9 per cent higher than in the corresponding period a year earlier. Inland Revenue receipts in the nine months rose by £3.5bn and Customs and Excise receipts by £2.3bn. The Government has forecast a drop in oil revenues of about £2bn but said this would be partly offset by increased

onsore revenues. Revenues as a whole are expected to rise by about 1.5 per cent. Central government borrowing was £1.5bn last month and £1.7bn in the first nine months. Local government borrowed £300m last month and £400m in the first nine months. Spending by government departments, that is, supply expenditure, was £8.6bn last month, giving a total £71.9bn for the first three quarters of the fiscal year. This figure is 7.5 per cent higher than spending in the corresponding period a year earlier. The Bank of England yesterday announced the issue of £400m of short dated low coupon gilts. The 2.5 per cent Exchequer Stock of 1990 is to be issued by tender at a minimum price of 277 per cent. The Bank has only small amounts of an index-linked stock of 2020 on offer, following exhaustion this week of an earlier taplet. It will fill the gap left by the £300m of Treasury 3 per cent 1986, due for redemption in May, but is likely to be heavily sold before the new regulations for taxing accrued interest on gilts come into effect on February 28.

Swan Hunter managers buy warship yard for £5m

BY IAN RODGER THE MANAGEMENT of the Swan Hunter warship yard on the Tyne has bought the company from state-owned British Shipbuilders for £5m. Swan Hunter, which has been plagued by strikes in recent years, employs 4,500. They will all be retained under the buy-out deal, which was concluded after 15 months' negotiations. The buyout has been led by Mr Alex Marsh, Swan Hunter's managing director, supported by Mr Ken Chapman, former head of the yard, and Mr Roger Vaughan, the BS director for productivity. About 30 other members of Swan Hunter's management will be involved in the consortium, which is backed by institutional investors led by Candover Investments. BS has agreed to offset the £5m sales price by accepting responsibility for a portion of the expected trading losses in 1986 and 1987 and for some of the planned capital spending to meet health and safety requirements. It has also accepted a limited contingency liability should redundancies arise. Swan Hunter is the fourth BS warship yard to be sold since the programme was announced in July 1984. Those still to be sold include Hall Russell at Aberdeen, Vickers at Barrow and Cammell Laird on Merseyside.

Royal Ordnance flotation team named

By Lynton McLain THE GOVERNMENT has appointed Hoare Govett as lead backbroker to the issue of shares in Royal Ordnance when the state arms and munitions company is privatised in June. N. M. Rothschild has been appointed as the merchant bank adviser to the Ministry of Defence, and Herbert Smith as solicitor to the offer. The reporting accountant is to be Coopers and Lybrand and Bradford Rork Collins Financial has been appointed public relations adviser. Both these appointments were made jointly by the MoD and Royal Ordnance. The flotation is expected to raise about £200m.

Merseyside survey forecasts 'hard slog'

THE Merseyside Chamber of Commerce and Industry in its latest economic survey for 1985 forecast yesterday was less optimistic about trading conditions in the region. It forecast "a hard slog" ahead with "no gleam of hope" for exports, continuing de-tocking, a fall in full capacity working, and a decline in employment.

French bank to acquire broker

BY JOHN MOORE IN LONDON AND DAVID MARSH IN PARIS JULIER GOODISON, the stockbroker firm headed by Sir Nicholas Goodison, chairman of the Stock Exchange, and Paribas, the French state-owned banking group, yesterday formally reached agreement for Paribas to acquire 100 per cent of Quilter Goodison in April. Talks between the two became public last October and represent the second important deal in which Quilter Goodison has been involved since the start of the upheaval in London's financial community more than two years ago. No financial details have been disclosed. In 1984 Quilter Goodison merged a link with Skandia, a Swedish insurance group which acquired a 29.9 per cent stake in the firm. Skandia was prevented from increasing its stake under Swedish law, which prevents insurance groups from holding controlling interests in non-insurance concerns. Quilter Goodison was seeking more capital. Paribas is to acquire the 78.1 per cent stake of Quilter

BREAKTHROUGH: SEPARATE SUBSTANCES IN SPACE TO MAKE LIFE-SAVING MEDICINES FOR EARTH. Many diseases, such as diabetes, anemia and hemophilia, are caused by a lack of natural substances in the body. Medical researchers produce these substances in the laboratory, but until now it was impossible to separate and purify them in the quantities needed for treatment of the ill. To solve this problem, McDonnell Douglas developed an electrophoresis device that separates these natural enzymes, cells and proteins by subjecting them to electric current. Flown aboard several NASA space shuttle missions, our Eos system separates pharmaceuticals in quantities 700 times greater and at purity levels four times greater than is possible on Earth. That's sufficient quantity and quality not only for research but also enough medicines for all who need them. We're creating breakthroughs that make a difference in the way people work and the way people live. We're McDonnell Douglas.

Advertisement for McDonnell Douglas featuring a large image of a hand holding a small object, and text describing their Eos system for separating substances in space. Includes contact information for Eos, McDonnell Douglas, Box 14526, St. Louis, MO 63178.

UK NEWS

Lawyers to seek public reaction to reform plans

BY HAZEL DUFFY AND RAYMOND HUGHES

CONSUMER REACTION to proposals for radical reform of the legal profession would be taken very seriously, the Law Society said yesterday...

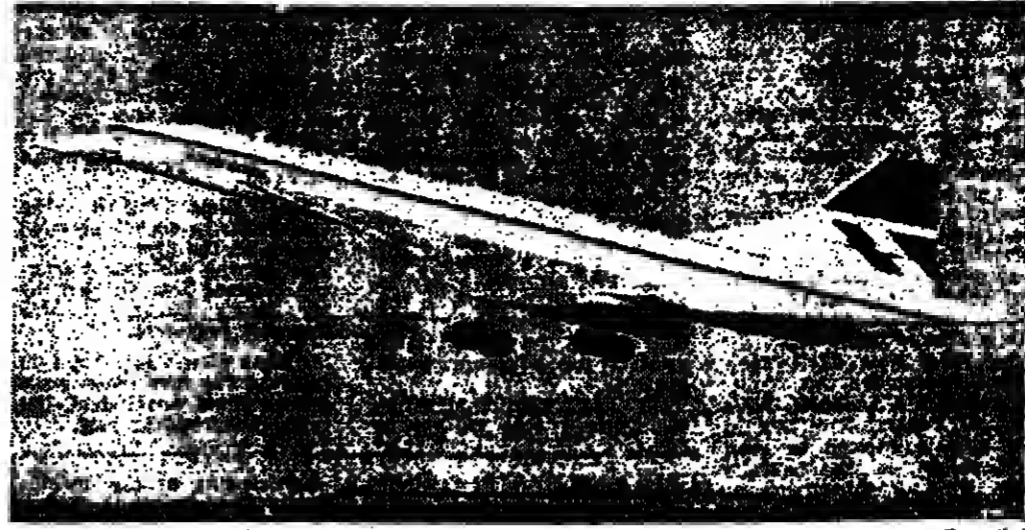
Brittan in call to resist trade curbs

By Christian Tyler, Trade Editor

THE GOVERNMENTS of the main trading nations must resist domestic pressures for export protection and hence themselves to make real concessions...

Michael Dome assesses the record of the Anglo-French supersonic Concorde airliner Ten years at twice the speed of sound

BRITISH Airways and Air France, the only airlines operating Concorde, are preparing for further growth in business with the supersonic airliner after 10 years of scheduled services.



Terry Kirk

Concorde takes off from Heathrow on its first scheduled service flight to New York. There is an eighth at Filton, near Bristol, the home of British Aerospace...

noise, pollution and other problems have proved either groundless or less severe than expected. The most frequent objections are still about the aircraft's noise...

All the major airliner manufacturers have kept in touch with supersonic technology and know that given the money, they could build a bigger, faster, longer-range airliner to replace Concorde.

There is little indication of any government enthusiasm for such a programme. In the US, however, there are signs that aerospace policy planners are aware of the likely need for such an aircraft...

Press group to shed jobs

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT THE Birmingham Post and Mail, the privately owned regional newspaper group, yesterday announced plans to cut its workforce by 250...

Public houses seek funds

BY NICK BUNKER THE ENGLISH public house may provide investors with a fresh opportunity following the launch today of Surrey Free Inns, a company intending to raise £2m from individual investors...

Branson in air freight venture

MR RICHARD BRANSON, chairman and founder of Virgin Atlantic Airways, has launched a company to take control of the airline's air freight business.

OBITUARY Brian Lawrence

BRIAN LAWRENCE, managing director from 1981 to 1983 of St Clements Press, the company which prints the Financial Times, died yesterday. He was 49.

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Those of you fortunate enough to be staying at The New Piccadilly on business have no need to call a cab to take you in search of entertainment. Simply call the lift. It'll drop you at the exclusive Gleneagles Club...



fax machines and full secretarial facilities. Together with a conference suite that seats 250, where the latest audio-visual and simultaneous translation facilities can be made available to you at the touch of a button.

APPPOINTMENTS New chief for Woolworth subsidiary

WOOLWORTH HOLDINGS has appointed Mr Jim Hodgkinson as managing director of B & Q DIY. He is currently director of B & Q. Mr Geoff Mulcahy, group managing director of Woolworth Holdings becomes chairman of B & Q...

By order of D. H. Gilbert, ACA, Liquidator of P&O Carpets Ltd., (In Liquidation) Formerly one of the United Kingdom's most prestigious and long-established internationally renowned Persian and Oriental Carpet Distributors. Complete winding up in accordance with Section 293 Companies Act 1948

UK NEWS

SOCIAL SECURITY BILL

Actuary calculates pension costs

BY ERIC SHORT

THE SOCIAL Security Bill published yesterday is virtually a reproduction of the White Paper proposals published just before Christmas.

ESTIMATED BENEFIT COSTS OF THE NATIONAL INSURANCE FUND* (£bn at November 1985 prices)

ESTIMATED JOINT RATES OF CONTRIBUTION* IN RESPECT OF EMPLOYED EARNERS (BEFORE REDUCTION FOR THOSE IN CONTRACTED-OUT EMPLOYMENT)

ESTIMATED JOINT RATES OF CONTRIBUTION* IN RESPECT OF EMPLOYED EARNERS (BEFORE REDUCTION FOR THOSE IN CONTRACTED-OUT EMPLOYMENT) - Revised scheme

figures highlight the effect of this 1.5 differential over long periods. For the next 20 years costs would rise more slowly to £60.2bn on a price basis and £103bn on an earnings basis as demographic factors arising from a lower birth rate settled down.

LABOUR

Talks due on planned strikes in hospitals

By David Brindle, Labour Staff

TALKS HAVE been arranged at the conciliation service Acas in an attempt to avert planned strike action by hospital maintenance workers.

Murdoch lays contingency plan for paper distribution

BY HELEN HAGUE AND DAVID THOMAS

MR RUPERT Murdoch's News International has laid contingency plans to distribute all four of the company's newspapers in the event of conflict with print unions.

general secretary, were at a reconvened meeting under the auspices of the TUC in an attempt to forge a common approach to recognition by News International at Wapping.

Ford workers threaten action

BY DAVID THOMAS, LABOUR STAFF

FORD manual unions have threatened industrial action if the company does not make improvements in pay over next Thursday.

establishments—the Southampton commercial vehicles plant for early industrial action but the majority agreed to await the outcome of the meeting with management.

Commercial paper mart launch likely

By Alexander Nicoll

A MARKET in sterling denominated commercial paper is expected to be launched within the next few months as a result of regulatory changes under consideration at the Bank of England.

Councils told to dispose of unused public land

BY PETER RIDDELL, POLITICAL EDITOR

SIXTEEN ENGLISH local authorities were told yesterday by the Department of the Environment to start disposing of 135 acres of unused or under-used land they own.

TSB opens West End branch

By Margaret Hughes

THE Trustee Savings Bank Group yesterday opened its first West End branch at 115 Regent Street. Like other TSB branches this opens from 9.30 am to 4 pm but its foreign exchange bureau stays open until 5.30 pm.

Settlement of Midland computer dispute likely

BY OUR LABOUR STAFF

A DISPUTE which has disrupted the Midland Bank's computer centres looks likely to be settled on the basis of a formula reached this week in talks at Acas, the conciliation service.

Seamen to disrupt sailings of BP's tanker fleet

BY OUR LABOUR STAFF

THE National Union of Seamen is launching a campaign of industrial action to disrupt sailings of British Petroleum's tanker fleet in protest at new contracts being offered to the ships' crews.

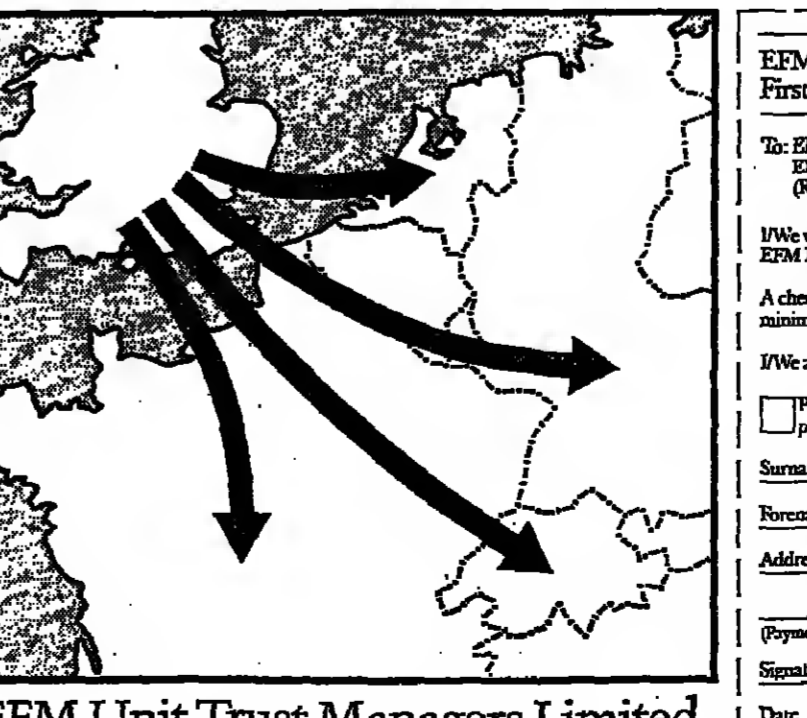
Lygo-Brittan letters

THE DEPARTMENT of Trade and Industry yesterday issued the texts of the correspondence between Sir Raymond Lygo, managing director of British Aerospace and Mr Leon Brittan, Trade and Industry Secretary. The texts were issued by agreement with British Aerospace.

time said that "British Aerospace should withdraw from the European Consortium," nor have I ever suggested that you used those words.

NEW EFM EUROFUND. THE LOGICAL ROUTE TO EUROPE'S INVESTMENT OPPORTUNITIES.

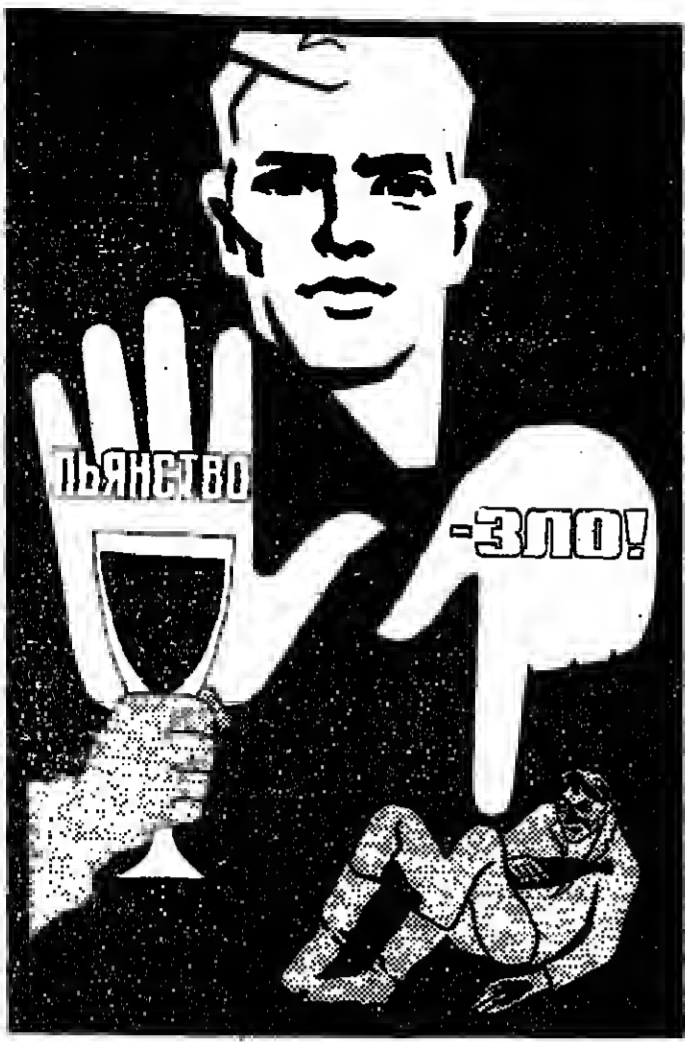
If you are looking for a sound European investment opportunity which aims to provide both capital growth and an above average yield, read on.



EFM EUROFUND First Offer of Units at 25p each until 31 January 1986

GENERAL INFORMATION The minimum initial investment in EFM Eurofund is £500. Subsequent investments may be made in amounts of at least £50. The price of units under this offer is 25p. After 31 January 1986 (or earlier at the Managers' discretion), the fund will be valued and units may be purchased or sold back at prices calculated daily.

وڪٽامن الٽويل



Anti-alcohol poster: 'Drunkness is an evil'

HIGH ABOVE Maykovsky Square near the centre of Moscow a flashing electric sign shines through the falling snow. It reads: 'A glass of mandarin juice a day contains all the vitamin C an adult needs...' One hundred yards away outside a drink store a long queue...

dry. But when inspectors visited one trowler they found in a single cabin 576 bottles of vodka, intended for the second navigator's wedding. In some country villages every house has its own still to make samogon (moonshine).

Patrick Cockburn in Moscow reports on the Soviet crackdown on drunkenness. form of liquor, but the emphasis now is on making it time-consuming and expensive to buy spirits, generally vodka, but relatively easy to buy beer or wine.

back on the street. On another occasion six workers at a Moscow chemical plant died and hundreds of others were hospitalized when they drank stifen metanol. High prices do not deter the serious drinkers: 'If you only drink beer—say ten bottles a day, it's a man outside a drink store, that would be five roubles (24.50) a day or 150 roubles a month, minus the payment for the return of bottles makes 90 roubles, but if you just drink a bottle of cheap port wine a day it would be only 10 to 30 roubles.'

able in the shops though restaurants do not serve it before 2 pm. Vodka is still hard to obtain. Scare stories that prohibition was to be introduced have died away, despite frequent warnings for its introduction in letters to the press. Officials say it simply would not work.

whole of Europe I have seen no other people empty a tumbler at a gulp, said the writer Alexander Herzen 150 years ago. Such traditional habits cannot be easily modified. Official pronouncements acknowledge that if people drink less they must be given something else.

High stakes in the battle of Wapping

By Philip Bassett and Helen Hague

BEHIND the vast rolls of barbed wire, the 12ft high steel metal fencing, the electrically operated double gates, the constantly monitoring closed-circuit TV cameras, Rupert Murdoch's new newspaper printing plant at Wapping, east London, is ready to roll. If it appears tomorrow's Sunday Times will mark the dawning of the long-heralded, but endlessly delayed, revolution in Fleet Street's chequered history.

The crucial alteration is in the Fleet Street balance of power. For long, it has lain heavily—with the unions, even to the extent that they, out the newspapers, controlled the supply of labour. Now it is shifting radically towards management.

direct entry—journalists typing material directly into production computers, rather than seeing it retyped by NGA members—as a threat to its lifeline. At Wapping, the NGA made what seemed to it the ultimate sacrifice by conceding it for News International's planned new London paper, the Post; union officials were thunderstruck when the company rejected that as insufficient.

members of the TGWU transport union employed by TNT, the haulage company. The bulk of the best immediate card clearly lies with its workforce already in the plant. 'Obviously, they'll want a return for their money,' said one employee going in at 7 am yesterday. 'And they'll want to defend their property.'

tough job: physically, the £100m Wapping plant—a few hundred yards downstream from Tower Bridge—embodies all the hard lessons learnt from recent industrial relations history: high-tech, high security. 'It's a difficult place to picket,' concedes one activist of the general print union Sogat '32. In the wake of the miners' strike, the unions are aware both of the interrelated nature of picketing as a tactic, and of the ability of the police to deal with it.

Australian Bill O'Neill—in his youth in California, a print compositor himself. But those on the receiving end are different now: Tony Dubbins of the NGA, is tough, too, but a realist; he has argued within the union that change will have to come. Brenda Dean of Sogat brings a more open attitude to Fleet Street, looking for ways through, not confrontation.

Eric Hammond of the EETPU is crucial. With the journalists, newspaper publishers see his union as now all they need (if they need unions at all). To the last time they will ever cross this door again. Anybody who goes on strike will be dismissed instantly. Anybody who refuses to take work done by management will be dismissed instantly.

to the van of change... is clear is how high are the stakes for which all sides are playing in a market growing, though by the week, for the traditional print unions. Survival at all in Fleet Street, even at Wapping, and elsewhere, will test the resolve of both sides that after years of feinting, this time it is for real. That testing will be arduous, and may be bloody; it is the test that is going to tell the undercurrent: 'See rather suspect it is going to get more difficult before it becomes easier.'

Changes in the grain trade

From Mr A. Stone. Sir.—John Cherrington's excellent summary (January 14) of the changes in the international grain trade over the last fifteen years contains the correct comment that the activities of the EEC in reducing imports and increasing exports has deprived the international trade of 25m tonnes per annum. He refers correctly to increased yield and thus pays tribute to the great achievements of the farmers and plant breeders for this 25m tonne change. He omits, however, possibly through lack of space, reference to the farcical levy and export subsidisation arrangements that have largely brought this about.

Glass fibre lasers From Dr C. Harnett. Sir.—Geoffrey Charlish gives a very clear account of glass fibre lasers in an article entitled 'Lasers on a different wavelength' (January 9). Unfortunately, the article is potentially misleading on three points. Laser action can occur only if a sufficiently large number of atoms or molecules is in an excited state. If this excitation is achieved by high intensity illumination from another laser or from a flashlamp, the process is called 'optical pumping'—the common electric discharge, therefore, laser physicist talk about pumping a ruby into a ruby rod, as was suggested.

Letters to the Editor

Failure to file From Mr E. Lennard. Sir.—Your report (January 11) of the continuing failure of companies to file documents with the Registrar of Companies within prescribed time limits makes specific reference to accounts and annual returns. If the incidence of default is as high as your report suggests, is there not a case for legislation under which the directors of defaulting companies would become personally liable for the debts of those companies?

Against stags From Mr J. Duffield. Sir.—Mr Wyatt's arguments (January 11) collapse completely when he states that stags 'apply for more stock than they require... in the hope of assembling a decent holding.' The modern stag has not the slightest intention of assembling a holding. If he judges that the price is right, he attempts to buy as many shares as possible, with view to selling to whom we might call the ultimate buyer at as high a profit as possible.

Responsibility of accountants From Mr J. Foster. Sir.—A Mr J. Packenham-Walsh (January 7) turns the argument on its head by claiming that the action of making accounting standards legally mandatory will diminish the professional responsibility of accountants, and undermine the concept of the true and fair view.

Fowler reform proposals From the Chairman of Monoging Director, Godwins. Sir.—In your January 2 edition I and my company were reported as saying that the proposals in the recent White Paper would result in the state earnings-related pension scheme 'withering on the vine.' This, unfortunately, is the opposite of what I said and what was promulgated by Godwins.

Capital gains tax From Mr J. Rentoul. Sir.—The described capital gains tax as an anomaly, and the tax liability on inflationary gains between 1985 and 1982 as unfair. Everything else in his letter was inaccurate. CGT is not anomalous because it is too burdensome a tax, but because it is too ineffective.

Contracting out on the 'contribution test' basis should be attractive only to those younger than the age at which the rebate would simply replace the GMP given up. Successive reviews of the rebate, if based, as hitherto, on the then contracted-out population, will

distort the truth. Such unequivocal support for 'best accounting practice' is becoming increasingly necessary as the issues with which the accounting profession has to deal become ever more technical and impenetrable to those without formal training in the subject. Without legal sanctions, an auditor's qualification on the grounds that a company has not complied with accounting standard X, on foreign currency translation or current cost accounting or whatever, means little to the shareholder democrat on a Clapham omnibus. The obvious conclusion is that since the company action is not illegal, the issue can be dismissed as an inconsequential difference of opinion between parties with arguments of equal validity.

to be dismissed. People who didn't drink much like me have cul back because they can't be bothered to queue for two hours for vodka.' For very heavy drinkers and alcoholics it has been a bad year. Chemist shops now refuse to sell eau de cologne or alcohol-based perfumes until after two o'clock in the afternoon and shop assistants complain that customers who have bought hair tonic often gulp it down as soon as they are

Table with 5 columns: Share, Sub'n, Other, and various rates for different building societies across various regions like Derbyshire, Northampton, etc.

Table titled 'BUILDING SOCIETY RATES' listing various building societies and their corresponding rates for different terms and amounts.

UK COMPANY NEWS

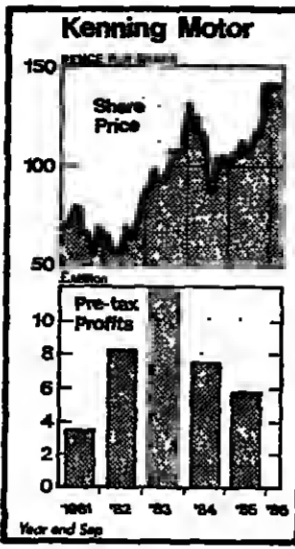
TSL Thermal up 51% to £2.6m

WITH THE second half profit being virtually maintained at £1.37m, the TSL Thermal Syndicate group of vitreous silica producers has seen its overall profit for the year ended October 31 rise 51% to £2.55m.

Following the restoration of the interim dividend, the directors are recommending a final dividend of 2p which will bring the total to 5p. At the halfway mark the group expanded its profit from £376,000 to £1.28m, but comparing these is distorted because of the changes in the group over the past two years.

Near 24% profit drop at Kenning Motor

THE REDUCTION expected by the Kenning Group in pre-tax profits for the year ended September 30 1985 turned out to be 23.9 per cent, from £7.54m to £5.76m. The group was hit badly by its operations in the US and Zimbabwe.



and some 24 per cent of that accounted for by exchange rate movements. Companies continue to perform well within the constraints, but the promised increase in foreign currency allocations for purchases has not materialised.

Celtic Haven in first-half recovery

PRE-TAX PROFITS recovered strongly in the six months to the end of September at Celtic Haven, the Dyfed-based engine steel fabricator and plant hire group.

making contract held by B and B Pipelines with the Gas Board expired at the end of October and the company ceased to trade at the end of November.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices. Columns include Equity Groups & Sub-sections, Fri Jan 17 1986, and Highs and Lows Index. Rows list various sectors like CAPITAL 9000S, CONTRACTING, ELECTRONICS, etc.

Table of Fixed Interest. Columns include Price Indices, British Government, Medium Government, and Index-Linked. Rows list various interest-bearing instruments and their yields.

Cartier reveals interest in Normans

Mr Lew Cartier, the supermarket chief who sold his Cartier Superfoods to Tesco for £19m in 1979, is making another bid to re-enter the food retailing business.

Granada seeking to retain independence of television side

THE FUTURE OF Granada Television has emerged as a significant factor in the merger talks between Granada Group and Ladbroke.

Agreed US bid for Kelvin Watson

CooperVision, the large US optical products-to-pharmaceuticals group, yesterday announced an agreed £8.25m cash takeover bid for Kelvin Watson.

Arlen moves to improve balance sheet

Arlen Electrical, the electrical accessories group, is asking shareholders' approval for measures to improve the presentation of its balance sheet and thus enhance the prospects for earlier payment of dividends.

Wold warns that profits could fall over 50%

Wold, the USM-quoted producer of frozen green beans, yesterday warned that profits for the year to December 1985 were likely to be less than half the previous year's £1.5m.

First Castle questions Crucible ability

Mr Leslie Connor, chairman of First Castle Electronics, yesterday rebuffed criticisms of his company by Morgan Crucible.

New premium income rises at Pearl

Pearl Assurance increased total new premium income in 1984 by 21 per cent from £92m to £111.6m.

Abbey Life's mixed new business pattern in 1985

Abbey Life Group, Britain's second largest linked life company which came to the market last year, had a mixed new business pattern for 1985.

Aaronite talks

Aaronite, the USM-quoted fire protection and insulation equipment contractor, announced yesterday that it was in discussions which might lead to a bid for the company.

Midsummer £3.9m rights

Midsummer Inns, the real-estate chain, is raising £3.9m net of expenses by a two-for-three rights issue at 215p.

Atlantic Trust assets rise

Atlantic Assets Trust, Edinburgh-based investment trust, had a net asset value of £140.67m at end-1984 compared with £133.9m six months earlier and £124.8m at end-1984.

Bristol Channel

Tifa AG the Liechtenstein-based company, controlled by Mr David Mitchell, has slightly increased its holding in Bristol Channel Shiprepairers from 10.3 per cent to 10.5 per cent.

COMPANY NEWS IN BRIEF

McLEOD RUSSEL has purchased over 90 per cent of Blakea Paints for £804.137 cash through its subsidiary Joseph Massin. Blakes produces marine paints with special reference to leisure craft, yachts and new boats.

DIVIDENDS ANNOUNCED

Table of Dividends Announced. Columns include Company Name, Current payment, Date of payment, Current dividend, and Total dividend.

IBM closes year on buoyant note

BY WILLIAM HALL IN NEW YORK

INTERNATIONAL Business Machines (IBM), the world's largest computer group, yesterday unveiled a strong fourth quarter performance and Wang Laboratories, a leading producer of data processing equipment, reported improved earnings. The results are widely seen as evidence that a cautious but sustained upturn in America's "high-tech" industry is under way. IBM, which had reported lower earnings in the previous three quarters, announced a 24 per cent rise in fourth quarter net income to \$2.68bn. Earnings per share rose by a similar amount to \$4.36. Wang Laboratories, which had posted heavy losses in the third quarter of its last financial year and net income of \$7m in the first three months, announced second quarter net income of \$21.7m, or 15 cents per share. The latest quarter's earnings were sharply down on the previous year's \$66.3m, or 40 cents per share, but the company expressed confidence that its earnings would improve in the second half as a result of cost controls and increased deliveries of its products. Despite a strong fourth quarter performance, IBM's net income for calendar 1985 fell by 0.4 per cent to \$6.55bn, or \$10.87 per share. Given IBM's superior performance in recent years there was some disappointment with the results on Wall Street yesterday and IBM shares, which had been trading close to their all-time high, fell by 1/4 to \$151 1/4 in after trading. Some Wall Street analysts had been forecasting that the group would earn around \$4.50 per share in its final quarter and might have been able to post marginally higher profits than 1984's \$10.77 per share, although the company had warned that this was unlikely. Mr John Akers, IBM's chief executive, said that "IBM's worldwide business health is strong despite a difficult year for the computer industry." Group revenues rose by 8 per cent to \$50bn in 1985. He said that an uncertain North American economy, currency fluctuations, sluggish capital spending and an early 1985 pause in top-of-the-range mainframe installations had had an adverse impact on the group's 1985 performance. "Total orders for 1986 showed good growth over the prior year," said Mr Akers, who noted that while worldwide shipments for the full year were higher than 1984, substantially all of the growth continued to come from the group's non-US business. The 184 per cent rise in fourth quarter revenues to \$1.72bn was due mostly to the strength of the 3090 mainframe and high-end storage devices, along with growth in typewriters, printers and personal computers, said Mr Akers. Looking to the future Mr Akers says that "there is an absence of convincing evidence the North American economy is showing sustained improvement, and we are approaching 1986 with caution. We are managing our costs, expenses and other resources carefully. Product costs and expenses in 1985 reflect increases in productivity over the prior year. Dr An Wang, the chairman of Wang Laboratories, says that during the first half of fiscal 1986 the company increased revenues with fewer people and managed its spending levels in a manner which reflected the industry's slower growth rate. Wang's revenues in the second quarter rose by 11.4 per cent to \$673.5m and for the six months rose marginally to \$1.2bn for the six months. Wang's net earnings on its class B and class C shares was 20 cents per share against 76 cents in the same period of last year.

AMD loss lower than expected at \$10.7m

By Louise Kehoe in San Francisco

ADVANCED Micro Devices, the California-based semiconductor manufacturer, has reported a \$10.7m loss for the quarter ended December, 1985. The loss compares with net income of \$29.3m, or 50 cents per share in the same quarter of 1984-85. Sales were \$146m, compared to \$238.6m. At the operating level, AMD reported a loss of \$17.7m for the third quarter. Tax credits resulting from operating losses and high levels of research and development and capital spending totalled over \$5.9m for the three months. "In 1985, the semiconductor industry was subjected to the worst recession in its history," said Mr W. J. Sanders, president and chief executive. "We believe the worst is behind us, with the beginnings of an order recovery evident. Orders on the trail shipments, however, indicating no immediate rebound for industry. Sales were up 12 per cent and net loss 60 per cent lower than in the second quarter. A substantial part of this sales increase resulted from sales of new chips introduced since October, the company said. "I believe that AMD has turned the corner," Mr Sanders said. AMD's managerial and professional employees, whose pay was cut by 10 to 15 per cent last summer, will be restored to full pay this month, he added. Throughout the industry recession, AMD has maintained a "no layoffs" policy. ADM produces a wide variety of integrated circuits including microprocessors, memories, interface and linear circuits using metal-oxide semiconductor and bipolar process techniques. It has manufacturing facilities in California, Texas, Malaysia and the Philippines.

Reynolds Metals at break-even in quarter

BY OUR FINANCIAL STAFF

REYNOLDS METALS, the second largest US aluminum producer, just managed to break even in the fourth quarter following the \$315.5m charge in the previous three months. Net profits in the latest quarter were \$300,000, equivalent to a loss of 13 cents a share after preferred dividends. However, the results include Life Inventory gains of \$4.9m and \$4.6m from utilisation of tax loss carry-forwards, while the 1984 quarter profits of \$55.4m or \$1.77 a share included a \$6.3m tax credit. For the year, Reynolds suffered a net loss of \$281.6m including the third-quarter charge, compared with profits of \$137.3m or \$6.36 a share. Sales fell last year from \$3.73bn to \$3.45bn, and from \$399.5m to \$396.9m in the fourth quarter. Shipments declined from 1.12m tons to 1.08m for the year, but edged up from 249,500 tons to 254,800 in the final quarter. Mr David Reynolds, chairman and chief executive, said the worldwide oversupply of aluminum and the high level of imports into the US depressed prices last year and adversely affected operating results. However, he added: "With aluminum demand continuing strong in most end-use markets and input prices moving upward in recent weeks, we would expect prices for fabricated products to improve as the year progresses."

Bidders line up for Uniroyal division

By Terry Dodsworth in New York and Alan Friedman in Milan

UNIROYAL, the US tyre group which was bought by a team of management and investors for about \$1bn earlier this year, hopes to complete the bidding process for the sale of its chemicals division within about two months. The chemicals business has been put on the market to raise cash for the reduction of the group's hefty borrowings of \$950m, which were taken on to finance the leveraged buy-out deal. Under the terms of the borrowing agreement funding the transaction, the main equity holders in the company agreed to give up control of the company to the institutional lenders backing the deal if they had not managed to pay off \$750m of the debt within two and a half years. Uniroyal said that the process of gathering in the first round of offers for the chemicals division was expected to be concluded shortly by Salomon Brothers, its investment bank. These bidders will then be narrowed down to a handful before final offers are proposed and the auction decided. The chemicals division, the most profitable unit in the company, is expected to raise in the region of \$700m to \$800m. In 1984, it generated sales of \$672m and an operating profit of \$110m, against operating losses of \$55m in tyres and \$37m for engineered products. The division has 3,000 employees worldwide, and is active in three sectors—agricultural chemicals, industrial chemicals for the rubber, industry and specialty chemicals.

Statoil and Shell Sweden to acquire Swedegas stake

BY FAY GJESTER IN OSLO

STATOIL, the Norwegian state-owned energy group, and Shell Sweden have agreed to pay SKr 80m (\$10.5m) each for a 20 per cent stake in the newly formed Swedegas natural gas company, Swedegas. Vattenfall, the Swedish state power board which controls Swedegas, will retain the remaining 60 per cent and provide a further capital injection of SKr 240m, following a Swedegas decision to expand capital by SKr 400m. The extra capital will help finance the extension of a newly opened SKr 500m natural gas pipeline, which currently stretches from Copenhagen across to Helsingborg, in southern Sweden. Eventually it will link up with the west coast city of Gothenburg. Swedegas imports some 220m cubic metres of Danish natural gas a year through the pipeline (which opened last July) and expects sales of some SKr 240m this year. However, the SKr 700m extension of the pipeline to Gothenburg is expected to bring total volume to some 800m cubic metres by 1988. Longer-term plans call for further pipelines into Central Sweden. Under the agreement announced yesterday the Danish natural gas company Dangas has also offered an option to buy shares in Swedegas.

Securities houses achieve strong growth in Japan

BY OUR TOKYO AND FINANCIAL STAFF

CONSOLIDATED NET profits for Japan's leading securities houses rose strongly in the year ended September, mainly on the back of increased commission income on domestic and foreign bonds. Daiwa Securities produced group net earnings ahead by 47.4 per cent to ¥57,220m (\$282.8m) or ¥50.95 per share, on sales which reached ¥373,010m, against ¥269,710m. Turnover at Yamada Securities overtook that of the rival Nikko to stand at ¥321,150m for a rise of 38.8 per cent. But Nikko, where sales rose 13.9 per cent to ¥220,610m, remained the more profitable, its net earnings were up 34.3 per cent at ¥51,460m, while those of

Yamaichi stood at only ¥42,980m despite an advance of 43.6 per cent. On a per-share basis, though, Nikko earned a net ¥39.39 and Yamaichi a somewhat better ¥41.37. Earlier in the week Nomura Securities, the country's largest brokerage house, reported a 51.3 per cent rise in consolidated net profits to ¥110,900m, on revenues which at ¥599,600m were up 34.9 per cent. The results all include contributions from the companies rapidly growing overseas operations, although in most cases these are not as profitable as the parent companies alone.

Daf Trucks well ahead

DAF TRUCKS, the Dutch commercial vehicle group, says preliminary results show that net profits have doubled to around F120m (\$7.22m) for 1985 from the F19.7m returned for 1984, writes our financial staff. The company adds that profits are expected to continue rising in 1986. It says more details will be given in the 1985 annual report, due in April. The profit rise in 1985 continues recovery begun a year earlier after the company reported losses of F127m for 1983. Philips is studying prospects for a listing on the Tokyo bourse. It said the prospect of offering either existing shares in Tokyo was still some way off but under serious consideration. Philips is Europe's largest electronics group with turnover last year of almost F1 600m.

Borregaard to raise dividend

BORREGAARD, the Norwegian industrial group with interests in forest products, chemicals, metals and foodstuffs, proposes to increase dividend to 14 per cent for 1985. It paid 12 per cent in 1984, and 10 per cent in 1983, Fay Gjester writes from Oslo. The move follows higher turnover and profits last year, partly as a result of acquisitions. Estimated 1985 profits are more than Nkr 166m (\$22m) on turnover of Nkr 5.2bn, before extraordinary income of Nkr 80m from the sale of stakes in a chlorine plant and a chemical group. Profits totalled Nkr 165.8m for 1984 on sales of Nkr 4.7bn. Current year profits are forecast to be similar to those for 1985 with expanded foodstuffs activities expected to offset continuing pressure on pulp prices and weakening sulphur prices.

Fletcher considers buying 81% NZ Steel holding

FLETCHER CHALLENGE, New Zealand's largest company, is investigating the possibility of talking over the government's recently acquired 81.2 per cent holding in New Zealand Steel, Reuter reports from Wellington. Mr Hugh Fletcher, the managing director said: "We see it as an obvious thing. We are looking at it but I wouldn't put any sort of probability on it." Fletcher has in recent weeks sold its banking unit, Broadbank and its 60 per cent stake in Maroc Holdings, another financial services company. Fletcher Challenge has four wholly owned or managed units manufacturing and distributing steel and a 44 per cent holding in Pacific Steel, an iron and steelmaker. Mr Fletcher said it was logical for his company as well as Australia's Broken Hill Proprietary (BHP) to look closely at acquiring NZ Steel. He had no idea of the extent to which the government might discount its holding, he added. NZ Steel shares jumped 8 cents in Wellington yesterday to 90 cents. On Christmas Eve, the government said it would take over NZSP1.15bn (US\$586m) of NZ Steel's debt in return for an issue of four shares for each share on issue. Its issued capital was 67,300 shares, which at that stage were trading at NZ\$1.35. At current market prices this would give the government an estimated loss of NZ\$922m, analysts estimated. The issue still requires shareholder approval and a special meeting is expected to be held in late February.

Modest increase reported by Alcoa of Australia

BY MICHAEL THOMPSON-NOEL IN SYDNEY

ALCOA of Australia, the big aluminum producer in which Alcoa of the US has a 51 per cent stake, saw a modest improvement in net profit in 1985 from AUS\$3.7m to AUS\$4.6m (US\$31.9m) on sales of A\$1.2bn. Sales were up 12 per cent and net loss 60 per cent lower than in the second quarter. A substantial part of this sales increase resulted from sales of new chips introduced since October, the company said. "I believe that AMD has turned the corner," Mr Sanders said. AMD's managerial and professional employees, whose pay was cut by 10 to 15 per cent last summer, will be restored to full pay this month, he added. Throughout the industry recession, AMD has maintained a "no layoffs" policy. ADM produces a wide variety of integrated circuits including microprocessors, memories, interface and linear circuits using metal-oxide semiconductor and bipolar process techniques. It has manufacturing facilities in California, Texas, Malaysia and the Philippines.

Kawasaki Steel set to diversify

KAWASAKI STEEL, one of Japan's leading steelmakers, yesterday unveiled a five-year plan to diversify away from its poorly performing core business, agencies report from Tokyo. The plan calls for efforts to increase annual sales by about ¥200bn (\$98m) to ¥1,400bn by 1990, and foresees a reduction in jobs to below 14,000 by cutting about 4,500 workers from steel production lines. Of these, about 2,000 would be shed through natural wastage while the remainder would be transferred to affiliates. The company expects to increase sales of its engineering division from the current ¥80bn a year to ¥120bn in five years and those of its chemical division from the current ¥50bn to ¥90bn. A further ¥10bn is expected to come from new business including semiconductors. To this end, Kawasaki plans to invest about ¥120bn annually in plant and equipment over the next five years, of which two-thirds will be used for rationalising the steel division.

LONDON TRADED OPTIONS

Table with columns for Option, Jan, Apr, July, Oct, Feb, May, Aug, Nov. Includes sub-sections for CALLS and PUTS.

US QUARTERLIES

Table with columns for Company, 1985, 1984. Includes sub-sections for AUTOMATIC DATA PROCESSING, HILTON HOTELS, MCGRAW HILL, RALSTON PURINA, SOCIAL EDISON, TANDY.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol, Feb, Last, Vol, May, Last, Vol, Aug, Last, Stock. Lists various options like GOLD, SILVER, etc.

BASE LENDING RATES

Table with columns for Bank, Rate. Lists various banks and their lending rates.

1985/6 TAX RELIEF CHARLOTTE STREET RESTAURANTS PLC BRAGANZA Asset Management Limited

Granville & Co. Limited Member of The National Association of Security Dealers and Investment Managers

WORLD STOCK MARKETS

NEW YORK

Table of stock prices for various companies in New York, including IBM, AT&T, and others.

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Table of stock prices for various companies in New York, including IBM, AT&T, and others.

WALL STREET

IBM figures hold market down

Analysts said there was speculation the dividend might be cut further, or eliminated.

By 1 pm the DJIA was down 7.34 of 1534.29, reducing its rise to 20.76, while the NYSE Composite was down 1.20 of 2120.20.

to 4,150 and Sander heaver were down to 3,350 each reported higher 1985 results.

Analysts said there was speculation the dividend might be cut further, or eliminated.

Analysts said there was speculation the dividend might be cut further, or eliminated.

INDICES

Table of stock indices including Dow Jones, S&P 500, and others.

NEW YORK

Table of stock prices for various companies in New York, including IBM, AT&T, and others.

Notes and disclaimers regarding the accuracy of the data and the inclusion of certain securities.

CURRENCIES and MONEY

FOREIGN EXCHANGES Dollar little changed

Trading was rather nervous and lacklustre in currency markets yesterday ahead of this weekend's meeting of finance ministers in London. News of a 17 1/2 per cent rise in US house starts and a 0.4 per cent increase in capacity utilization provided a strong base for the dollar but there was a marked reluctance to open fresh positions ahead of the weekend. Earlier in the week there had been speculation that an across the board reduction in interest rates was to be discussed although this tended to lose credibility towards the end of the week. Most people in the market were not expecting much from the meeting and were adamant that there would be no far reaching agreements such as came out of the last meeting in

£ IN NEW YORK (LATEST)

Table with columns for Jan 17, Day's spread, Close, One month, Three months, Six months, and % change. Includes data for Sterling, Swiss franc, and other currencies.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table with columns for Jan 17, Day's spread, Close, One month, Three months, Six months, and % change. Includes data for various currencies like Australia, Canada, and Europe.

STERLING INDEX

Table showing Sterling Index values for Jan 17 and Previous days, with columns for 8.30 am, 10.00 am, 11.00 am, Noon, 1.00 pm, 2.00 pm, 3.00 pm, and 4.00 pm.

CURRENCY RATES

Table with columns for Jan 17, Bank of London, and Morgan Guaranty. Lists rates for Sterling, U.S. dollar, Canadian dollar, and other currencies.

CURRENCY MOVEMENTS

Table with columns for Jan 17, Bank of London, and Morgan Guaranty. Shows percentage changes for various currencies.

OTHER CURRENCIES

Table with columns for Jan 10, £, and \$, listing rates for Argentina, Brazil, Finland, Greece, Hong Kong, Iran, Kuwait, Lebanon, Malaysia, New Zealand, Saudi Arabia, Singapore, Sri Lanka, and Taiwan.

MONEY MARKETS

London rates slightly firmer

Interest rates were a little bit higher in London yesterday in rather nervous trading. A continued fall in the price of oil tended to unsettle the market and more than compensated for rumours concerning this week's meeting of finance ministers. Earlier in the week there had been speculation that the group of five nations would actively discuss the possibility of an across-the-board reduction in interest rates. Subsequent statements from the group of five nations were in no mood to risk any possible over-exposure to developments over the weekend. Three-month interbank money finished at 12 1/2 per cent unchanged from Thursday while the six month rate rose to 12 1/2 per cent from 12 1/4 per cent. Short term money was also more

POUND SPOT—FORWARD AGAINST POUND

Table with columns for Jan 17, Day's spread, Close, One month, Three months, Six months, and % change. Includes data for US, Canada, and other currencies.

EURO-CURRENCY INTEREST RATES

Table with columns for Jan 17, Short term, 7 days, 1 month, 3 months, 6 months, and 1 year. Lists interest rates for various currencies and maturities.

EXCHANGE CROSS RATES

Table with columns for Jan 17, £, DM, Yen, FF, Sfr, Hfl, Lira, and Bz. Lists exchange rates between major currencies.

FT LONDON INTERBANK FIXING

Table with columns for 11.00 a.m. (Jan 17), Three months U.S. dollar, and Six months U.S. dollar. Lists interbank fixing rates.

MONEY RATES

Table with columns for Jan 17, Over night, 7 days, 1 month, 3 months, 6 months, and Lombard. Lists money market rates.

LONDON MONEY RATES

Table with columns for Jan 17, Over night, 7 days, 1 month, 3 months, 6 months, and 1 year. Lists London money market rates.

COMMODITIES and AGRICULTURE

REVIEW OF THE WEEK Gold bugs hunt for the mystery buyer

BY STEFAN WAGSTYL AND ANDREW GOWERS

THE GOLD market, which has been showing increasing signs of activity in recent weeks, sprang into life this week.

Much of the action was concentrated in a hectic day's trading on Thursday, when the price soared over \$30 an ounce to a momentary peak of almost \$380 before falling back nearly \$20 to close in London at \$362.50 an ounce in heavy profit-taking. More investors cashing in their gains yesterday brought the price down another \$5.50 to \$356.50 an ounce—still \$12.75 up on the week.

Many traders were keen to forecast the start of good bull market in gold—though others warned that the euphoria might disappear as quickly as it came. Traders said that it was buying by the London bullion house Sharps, which has brought the market to life. Sharps would not comment. Other dealers tried to guess who Sharps' mystery customer might be.

There were suggestions, later discounted, that it could be the Japanese government stocking up in advance of the proposed issue of a gold coin to mark the 60th anniversary of the accession of Emperor Hirohito were later discounted. The names of other potential purchasers of what could be over 100 tonnes of gold—worth over \$1bn—included various oil-rich Middle Eastern states. But the most persistent rumours concerned the Sultan of Brunei. Whoever the buyer was, \$300 a tonne last week.

WEEKLY PRICE CHANGES

Table with columns for Commodity, Latest price, % change, and High/Low. Lists price changes for various commodities like Tin, Nickel, and Silver.

INDICES FINANCIAL TIMES

Table with columns for Index, Jan 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 1982=100. Lists financial indices.

ALUMINIUM

Table with columns for Unofficial +/- of close, High/Low, and Business done. Lists aluminium prices.

GOLD

Table with columns for Unofficial +/- of close, High/Low, and Business done. Lists gold prices.

COPPER

Table with columns for Unofficial +/- of close, High/Low, and Business done. Lists copper prices.

LEAD

Table with columns for Unofficial +/- of close, High/Low, and Business done. Lists lead prices.

NICKEL

Table with columns for Unofficial +/- of close, High/Low, and Business done. Lists nickel prices.

US MARKETS

PRECIOUS METALS

RECOVERED BY EARLY losses on short coverings linked to the G5 meeting this weekend, reports Helms Commodities. Copper firmed reflecting light speculative buying. Aluminium weakened on profit taking following recent gains. Sugar attracted scattered commercial support. Cocoa remained steady on pre-weekend short covering. Doubts that a coffee quota suspension will lead to better supply availability, led to sharp gains in the limitless March. Cotton traded mixed with profit taking helping to pressure the old crop. The energy complex moved sharply lower on above normal temperatures in major consuming areas and fears of overproduction by Opec. The grain and soybean complex remained featureless. Fresh news which tended to restrict speculative interest.

NEW YORK

Table with columns for Commodity, Close, High, Low, Prev. Lists New York market prices for various commodities.

CHICAGO

Table with columns for Commodity, Close, High, Low, Prev. Lists Chicago market prices for various commodities.

INDICES

Table with columns for Index, Jan 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 1982=100. Lists financial indices.

REUTERS

Table with columns for Commodity, Jan 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 1982=100. Lists Reuters market prices.

DOW JONES

Table with columns for Dow Jones Index, Jan 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 1982=100. Lists Dow Jones index values.

CRUDE OIL (LIGHT)

Table with columns for Crude Oil, Latest, High, Low, Prev. Lists crude oil prices.

SOYABEAN MEAL

Table with columns for Soyabean Meal, Close, High, Low, Prev. Lists soyabean meal prices.

SUGAR

Table with columns for Sugar, Close, High, Low, Prev. Lists sugar prices.

ORANGE JUICE 15,000 lb. cents/lb

Table with columns for Month, Close, High, Low, Prev. Lists orange juice prices.

PLATINUM 5000 troy oz. \$/troy oz

Table with columns for Month, Close, High, Low, Prev. Lists platinum prices.

SILVER 5000 troy oz. cents/troy oz

Table with columns for Month, Close, High, Low, Prev. Lists silver prices.

SUGAR WORLD '11 112,000 lb. cents/lb

Table with columns for Month, Close, High, Low, Prev. Lists world sugar prices.

MAIZE 5000 bu. min. cents/56-lb bushel

Table with columns for Month, Close, High, Low, Prev. Lists maize prices.

FORK BELLIES 38,000 lb. cents/lb

Table with columns for Month, Close, High, Low, Prev. Lists fork bellies prices.

SOYABEANS 5000 bu. min. cents/60-lb bushel

Table with columns for Month, Close, High, Low, Prev. Lists soyabean prices.

WHEAT 5000 bu. min. cents/60-lb bushel

Table with columns for Month, Close, High, Low, Prev. Lists wheat prices.

CRUDE OIL FUTURES—Brent Blend

Table with columns for Month, Close, High, Low, Prev. Lists crude oil futures prices.

COFFEE

Table with columns for Commodity, Close, High, Low, Prev. Lists coffee prices.

LONDON STOCK EXCHANGE

MARKET REPORT

More relaxed mood prevails after recent weakness on interest rate and political fears

Account Dealing Dates
Option
*First Declare Last Account
Dealings (ons Dealings Day
Dec 23 Jan 9 Jan 10 Jan 20

Account Dealing Dates
Option
*First Declare Last Account
Dealings (ons Dealings Day

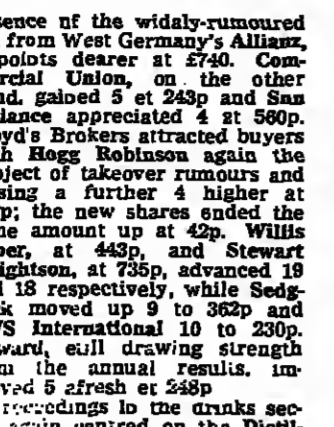
absence of the widely-remembered bid from West Germany's Allianz 5 points dealer at 240. Commercial Union, on the other hand, gained 5 at 243p and Sax Alliance appreciated 4 at 500p.

A more relaxed mood prevailed in London stock markets yesterday. The uncertainty caused earlier in the week by the fear of higher interest rates and also by political considerations continued to clear, although the outcome of the weekend Group of Five meeting could be crucial.

An extremely busy week for Government securities ended with prices generally higher. The after-hours business to close little changed on balance. Turnover on Tuesday was the heaviest for some considerable time in a market basically trading the trading return of securities.

Clearers wanted
Despite Scrimgeour Vicker's warning of a new debt crisis, clearing banks were supported ahead of the dividend season.

Woolworth lower
A broker's downgrading of profit estimates, the resulting pressure to bear on both Woolworth and Harris Queensway, the former were unsettled by Scrimgeour Vicker's downward revision and closed 18 lower at 460p, while the latter dropped 8 to 212p following James Capel's reassessment. Conversely, Sears



SHARE PRICE MOVEMENTS IN REAL TERMS
FT-Activates ALL-SHARES
FT-Activates ALL-SHARES INDEX
Adjusted for Inflation

Horizon and International Leisure up 6 pence at 214p and 15p respectively. Elsewhere in the Leisure sector, Zetters found support at 127p, up 1p.

Automotive Products returned to favour in Motors and closed 7 better at 159p. Kaysan put on 5 at 486p, but Dowty cheapened 2 more for a two-day reaction of 14 at 181p on the poor first-half performance.

A rising market of late on speculative buying. Gearty's actions succumbed to profit-taking and closed 8 easier on the day, but still 24 higher on the week at 137p. Elsewhere in Paper/Printing, MetCeredale featured with a rise of 13 at 155p and improvements of 8 and 9 respectively were seen in Mooregate Group, 123p, and Jefferson Smurfit, 133p.

Leading Properties gave modest ground. Land Securities slipped 3 to 285p as did MEXPC, to 250p. Eastmere Estates gave up 7 to 498p and Stange Estates softened a couple of pence to 147p.

Trat House good
Contenders for the cross Channel tunnel project came in for a considerable amount of buying attention pending the outcome of the final talks on the subject. Trafalgar House featured a rise of 11 at 339p, while Associated British Ports advanced 19 to 392p.

Gold's react
The five-day advance in the bullion price—which culminated with the metal touching \$350 at one stage on Thursday—its highest level since June 1984—finally ran out of steam as both professional and institutional investors expressed doubts over the longevity of the current upsurge and consequently took the opportunity to liquidate positions.

Publicity given to a brokers' meeting with the company attracted buyers to John Crowther which closed 5 better at 84p. Elsewhere in firm titles, the market was a thin market with renewed speculative buying lifted S. Jerome a further 6 making a jump of 20 on the week at 75p.

Oils fall further
Further downward pressure on spot prices made for another dull session in the oil sector. Bid prices were generally steady, with oil prices recovering to overnight levels before drifting back in the absence of support. Shell were a particularly dull market and reacted to 858p prior to closing a net 17 lower at 660p.

Traded Options
Demand for Traded Options slackened considerably. Total contracts struck amounted to 10,946—0.94 calls and 0.012 puts—well below the daily average of 15,343 contracts established in the first two full trading weeks of the year.

RECENT ISSUES
EQUITIES
180 P.P.151 250 196 Abbott Mead Vickers 290 -2 69.9 2.5 1.2 25.5
135 P.F.2 12 130 123 Ashby (Laura) plc 190 +2 69.1 0.6 3.1 1.5 27.7
697 300 77 310 928 Cable & Wireless 265 +2 69.3 3.6 4.8 3.4
100 P.F.10 10 85 85 Cable & Wireless 265 +2 69.3 3.6 4.8 3.4

SE DEALINGS

STERLING ISSUES BY FOREIGN GOVERNMENTS AND INTERNATIONAL INSTITUTIONS

Table listing various financial instruments including bonds and shares with columns for issue type, denomination, and price.

CORPORATION & COUNTY
Greater London 6 1/2% 2002 £774 84
Barrow Cr 12 1/2% 1987 £200 (1017)
Greenwich 11 1/2% 1987 £200 (1017)

FOREIGN STOCKS
(coupons payable in London)
Canada 1984 12 1/2% 2008 81084
Canada 1984 12 1/2% 2008 81084

SINKS DISCOUNT
Ireland 7 1/2% 1988-91 £750
Ireland 7 1/2% 1988-91 £750

BREWERIES
Allied-Leds 5 1/2% (11) 471 (1817)
Allied-Leds 5 1/2% (11) 471 (1817)

FINANCIAL TIMES STOCK INDICES

Table showing stock indices from Jan 17 to Year 2000, including Government Secs, Fixed Interest, and Ordinary indices.

Table with columns for High, Low, and SE. ACTIVITY, containing various market data points.

OPTIONS

Table listing various options with columns for First, Last, and Settlement dates.

LEADERS AND LAGGARDS

Table showing percentage changes since December 31 1985 based on Thursday, January 18 1986, for various market sectors.

NEW HIGHS AND LOWS FOR 1985/86

Table listing new highs and lows for various stocks in 1985/86.

RISES AND FALLS YESTERDAY

Table showing rises and falls for various market categories like British Funds, Corporate Bonds, etc.

YESTERDAY'S ACTIVE STOCKS

Table listing yesterday's active stocks with columns for Stock, Closing Day's price, and Change.

THURSDAY'S ACTIVE STOCKS

Table listing Thursday's active stocks with columns for Stock, Closing Day's price, and Change.

5-DAY ACTIVE STOCKS

Table listing 5-day active stocks with columns for Stock, Last Change, and Change.

Handwritten signature or note at the bottom of the page.

STOCK EXCHANGE DEALINGS

Details of business done show below have been taken with consent from Thursday's Stock Exchange Official List and should not be reproduced...

They are not in order of despatch but in ascending order which denotes the day's highest and lowest dealing prices...

Table with columns for stock symbols and prices, including entries like 'L-M', 'M', 'N-O', 'P-Q', 'R-S', 'T-U', 'V-W', 'X-Y', 'Z'.

Table with columns for stock symbols and prices, including entries like 'A', 'B', 'C', 'D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

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FT UNIT TRUST INFORMATION SERVICE

Authorised Unit Trusts

Large table listing various unit trusts with columns for trust names, managers, and performance metrics. Includes sections like 'Authorised Unit Trusts', 'Specialist Unit Trusts', 'International Unit Trusts', etc.

HOLIDAY & TRAVEL ADVERTISING is published on Wednesday and Saturday. For details of advertising rates contact: CAROL HANEY, Financial Times, Bracken House, 10 Cannon Street, London EC4A 3DF, Telephone: 01-248 5000 Extn 4687.

Applications granted for specific bargains in securities not listed on the exchange. Includes details for 'Rule 535 (2)' and 'Rule 535 (3)'.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table containing financial data for various unit trusts and insurance companies, including columns for company names, fund names, and numerical values.

Handwritten text in Arabic script at the bottom of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds, including company names, fund names, and numerical values.

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Table listing various insurance and overseas funds, including company names, fund names, and numerical values.

Money Market Trust Funds

Table listing Money Market Trust Funds with columns for fund name, value, and other details.

Money Market Bank Accounts

Table listing Money Market Bank Accounts with columns for bank name, account type, and interest rate.

OFFSHORE AND OVERSEAS

Table listing Offshore and Overseas funds, including company names, fund names, and numerical values.

Table listing Offshore and Overseas funds, including company names, fund names, and numerical values.

Table listing Offshore and Overseas funds, including company names, fund names, and numerical values.

Table listing Offshore and Overseas funds, including company names, fund names, and numerical values.

Options

Table listing Options with columns for stock name, price, and other details.

BRITISH FUNDS

Table of British Funds with columns for Stock, Price, and Yield. Includes sub-sections for 'Lives up to Five Years', 'Five to Fifteen Years', and 'Over Fifteen Years'.

INT. BANK AND OSEAS GOVT. STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues with columns for Stock, Price, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Stock, Price, and Yield.

LOANS

Table of various Loans with columns for Stock, Price, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Stock, Price, and Yield.

AMERICANS - Cont.

Table of American Stocks with columns for Stock, Price, and Yield.

CANADIANS

Table of Canadian Stocks with columns for Stock, Price, and Yield.

BANKS, HP & LEASING

Table of Banks, Hire Purchase, and Leasing companies with columns for Stock, Price, and Yield.

BEERS, WINES & SPIRITS

Table of Beers, Wines, and Spirits companies with columns for Stock, Price, and Yield.

BUILDING, TIMBER, ROADS

Table of Building, Timber, and Roads companies with columns for Stock, Price, and Yield.

AMERICANS

Table of various American companies with columns for Stock, Price, and Yield.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS - Cont.

Table of Building, Timber, and Roads companies (continued) with columns for Stock, Price, and Yield.

DRAPERY & STORES - Cont.

Table of Drapery and Stores companies (continued) with columns for Stock, Price, and Yield.

ELECTRICALS

Table of Electrical companies with columns for Stock, Price, and Yield.

CHEMICALS, PLASTICS

Table of Chemical and Plastics companies with columns for Stock, Price, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores companies (continued) with columns for Stock, Price, and Yield.

ENGINEERING - Continued

Table of Engineering companies (continued) with columns for Stock, Price, and Yield.

INDUSTRIALS - Continued

Table of Industrial companies (continued) with columns for Stock, Price, and Yield.

ENGINEERING - Continued

Table of Engineering companies (continued) with columns for Stock, Price, and Yield.

INDUSTRIALS - Continued

Table of Industrial companies (continued) with columns for Stock, Price, and Yield.

Handwritten text in Arabic script: 'مكتبة الأصيل'

Wardley KNOWS money doesn't grow on trees

You need a world of experience - see this page...

FINANCIAL TIMES

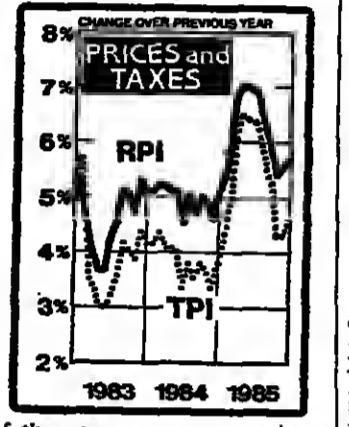
Saturday January 18 1986

You need a world of experience to make your money grow!

Wardley KNOWS HOW see this page

Inflation rate rise a temporary blip, says Government

By Philip Stephens, Economics Correspondent BRITAIN'S annual inflation rate edged up to 5.7 per cent last month from 5.5 per cent in November...



of the year-on-year comparison. Most City economists are predicting that it may be down to 4 per cent by summer.

The retail price index stood at 378.9 in December compared with 378.4 in the preceding month (January 1974=100).

TV rental group to axe 100 shops

By Raymond Smedley, ELECTRONIC Rentals Group, the Visionhire television and video rental company, is to close 100 shops in a reorganisation that will cost up to 1,000 jobs.

The redundancies across the whole of the Television Group include job losses from the closure of Television's former headquarters in Blackpool announced last week.

Mr David Hurley, ERG managing director, confirmed yesterday that 100 of the shops were unprofitable or overlapped with Visionhire outlets.

US court refuses Plessey injunction against GEC

BY CHARLES BATCHELOR A US JUDGE has decisively rejected an attempt by Plessey, the British electronics group, to enjoin the American courts to help in its defence against the unwelcome £1.2bn takeover bid from the General Electric Company.

CTG rail tunnel may be winning Channel fixed link competition

BY PAUL BETTS IN PARIS AND ANDREW FISHER IN LONDON THE CHANNEL Tunnel Group-France Manche twin-bore rail tunnel scheme appeared last night to have edged into the lead in the competition to build a fixed link between the UK and France.

Continued from Page 1

Westland board defeated in vote

relative success could be severely handicapped by their lack of effective political and commercial leadership in the wake of the resignation last week of Mr Michael Heseltine, the former Defence Secretary, and developments this week concerning BAE, the consortium's nominal leader.

Small voices heard

audience if he was live. Most shareholders who spoke publicly supported the board, though three felt they should have been given the chance to vote on the rival European consortium plan.

efforts in this litigation are motivated by a desire more to delay than to inform. "This court, therefore, concludes that it would be a perversion of the principles of the Williams Act (governing takeover bids) to delay the processes of a quintessentially British takeover when American investors and interests are not barely touched."

Officials in Paris hinted that the CTG scheme would probably be picked though some claimed the competition was still open. In London, CTG had no comment.

Continued from Page 1

Westland board defeated in vote

the Sikorsky/Flat rescue plan. He accused the Westland board of carrying on a blind love affair with Sikorsky and cast doubts on the sales prospects of the Blackhawk medium weight helicopter which Westland would build under licence in terms of the American-Italian proposal.

Mr Bristow, too, ran out of air but a quick-thinking supporter pointed a security guard to the top table's drinks. A glass was carried to Mr Bristow's aid.

affairs, said: "The Plessey action appears to have been misconceived, to say the least. It was a very firm decision by the court and we are very pleased."

later. This would allow a quick start on a rail tunnel and more time for the study of the road link. A decision in favour of CTG would be a defeat for the Channel Expressway scheme of Mr James Sherwood, head of Sea Containers and the Sealink ferry company.

Continued from Page 1

Westland board defeated in vote

Brothers, Westland's merchant bank advisers, said these centred on a revised rescue proposal which would require an ordinary resolution requiring only a 50 per cent majority to be put to shareholders.

During the hiatus, Mr Andrew Lumsden, assistant manager at Southwark Cathedral, delighted those left in the hall with his rendition of Those Magnificent Men in their Flying Machines before moving on to Bach, Vivaldi and Vaughan Williams.

Citicorp moves into UK life assurance market

BY ERIC SHORT CITICORP, THE world's largest banking group, yesterday announced its entry in the UK life assurance market with the acquisition from Asteco of British National Life Assurance Company.

Armed is a US conglomerate which had diversified into financial services, including insurance operations, and is now undergoing a process of rationalisation and reorganisation.

Continued from Page 1

Westland board defeated in vote

Mr Horne said the European consortium's legal advisers had said that such a move was possible. However, the company's position is still precarious. The complex agreements signed with Westland's bankers are no longer legally binding.

At 6.07 pm Sir John Cuckney returned to announce the shareholders' decision. The Sikorsky/Flat deal did not achieve the 75 per cent it needed to proceed.

THE LEX COLUMN Flight delays at the heliport

An anti-climax was long overdue in the Westland affair and there could not have been a more appropriate venue for it than the Albert Hall.

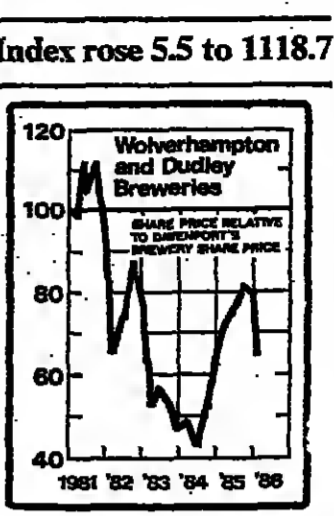
It is in a position to make its views felt. So Wolverhampton and Dudley Breweries may seem to be bashing its head against a wall with its latest takeover approach to Davenport's Brewery announced on Thursday.

Continued from Page 1

Westland board defeated in vote

any company contemplating the acquisition of a regional brewer has to reckon with at least two formidable obstacles: the Monopolies and Mergers Commission and the Whitbread Investment Company.

Wardley's new International Growth Trust is creating a portfolio of equities from the stock exchanges of the world. And one is better placed than Wardley to capitalise on them all.



Index rose 5.5 to 1187.7

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ance, and shareholders haven't gained anything by the failure of the original offer. The included a large element of Wolvo's shares, which have risen strongly in the intervening period.

The London equity market does not know quite where to put itself. This week currency fears, interest rate worries and oil price concerns have come to fall back yesterday on familiar old bird stories for a bit of fun.

Continued from Page 1

Westland board defeated in vote

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WARDLEY'S INTERNATIONAL GROWTH TRUST advertisement with logo and contact information.

Table with financial data: CHIEF PRICE CHANGES YESTERDAY, WORLDWIDE WEATHER, and various market indices.

مكتبة الأناضول

WEEKEND FT

Saturday January 18 1986

MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV

More than just a pretty face

From Tokyo to Detroit, Milan to London, industrial design has graduated beyond the exclusive. Traditionally a luxury, it has become a crucial tool of mass marketing. Christopher Lorenz explains why.

EVEN by the extraordinary standards of Hollywood, it was one of the most lavish parties ever thrown. To the tune of "Happy Days Are Here Again," more than 1,000 guests from the worlds of movies, TV and high society were wined and dined amid rampant luxury in the historic MGM studio where *Goose With The Wind* had been filmed.

The occasion was not a film premiere, but last year's "roll-out" of the Ford Taurus and Mercury Sable, two sleek new cars which the Ford Motor Company introduced in the US just before Christmas, and on which it is pinning its hopes for a competitive revival against the massed ranks of General Motors, the Germans and the Japanese.

—the Thunderbird, Lincoln Continental Mark VII, Tempo and Topaz—and which boosted its market share dramatically, were also reskinned versions of existing models.



Richard Sapper and Hartmut Esslinger, as (respectively) IBM and both Apple and Sony have recognised in the form of lucrative contracts. A number of less well-known Britons, too, deserve the same accolade: not only consultants such as Kenneth Grange and Nick Butler, who have worked, respectively, for Kodak and Minolta cameras, among many other clients, but also a bevy of unsung heroes who operate as insiders at world-scale companies such as BMW and Olivetti.

describes his industrial designers as "translators, bridges and catalysts" between marketing and the various types of engineer.

"good product managers are a very rare breed." Underpinning the ability of many designers to play a full part in the development team, and the potential of some even to become the team's co-ordinator, is a set of unusual personal attributes and skills.

The danger of Galluping hysteria

NEVER MIND the ends, consider the means. My personal good wishes go to Sir John Cuckney, Mrs Thatcher and Mr Leon Brittan, on the simple grounds that since defence technology tends to be grossly overpriced and often fails to work, it must make sense to buy a good deal of it pre-tested and second-hand.



Until the Westland row blew up, the City was quietly betting on a third term. Now the odds look longer. Anthony Harris suggests that investors may be in for a bumpy ride.

more certain that we will from time to time read, as we have this week, that Labour or the Alliance have suddenly taken the popular lead, or even each of them on successive days, and that sometimes they will go on saying so for a number of successive polls. That is likely to move markets.

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The No.1 Unit Trust.

The Oppenheimer European Growth Trust was the top performing of all 716 authorised unit trusts in 1985, increasing by 73% which was over 10% ahead of the second best.*

A year ago we advertised Europe as 'The Investment Opportunity for 1985'.

Had you invested £1,000 in our European Growth Trust on the 1st January, 1985 it would have been worth £1,730 on the 1st January 1986.*

Even after this excellent return we still believe that investment prospects remain outstanding in Europe for 1986.

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Erratic week in New York

A week when final quarter results for the 1985 financial year began to flow across the seas, Wall Street might have been expected to have its eyes firmly fixed on domestic events. Instead, two overseas developments had more impact in the behaviour of stock prices, contributing to an erratic and largely trendless trading performance.

The first was the statement attributed to Mr Martin Bangemann, the West German economics minister, to the effect that the US was planning a co-ordinated effort to force down interest rates that would be discussed at this weekend's group of five meetings of Western finance ministers.

Although there was some doubt as to whether Mr Bangemann was quite as positive in his remarks as the initial reports suggested, and American officials maintained an uncharacteristically stiff upper lip on the subject, the story was enough to turn around a sluggish bond market and send yields tumbling down

example, rose by only 3/8 to 87 3/8. General Electric, first of the big manufacturing companies to report, also came in with some predictable results, though in this case very drab ones, which were saved largely by a healthy contribution from its financial services division.

With earnings up by only 2.5 per cent on the year, GE has moved roughly in line with the economy, suffering in particular in its heavy engineering sectors. Its sombre assessment of prospects, arguing that the company is unlikely to see any rebound and that the economy will remain sluggish this year, gave little support to the Wall Street opinion-makers, who are beginning to detect signs of a strengthening recovery in economic activity. GE shares

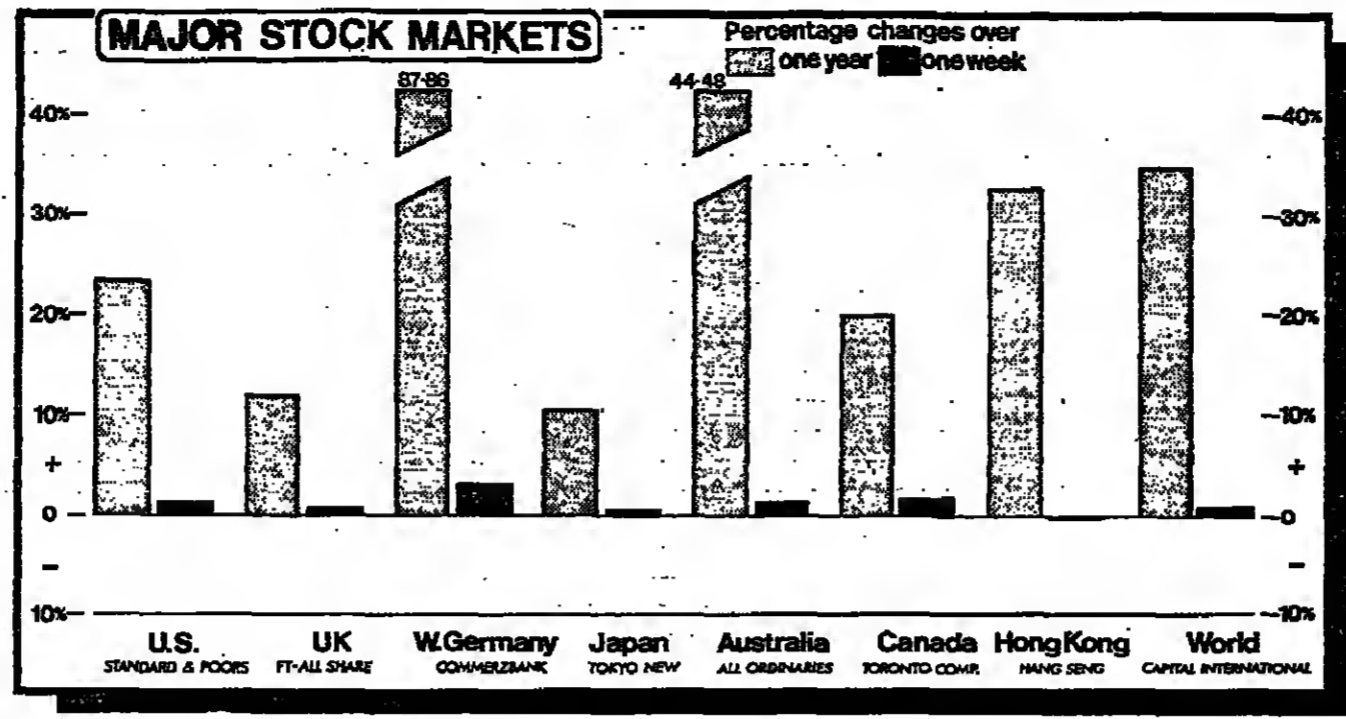
In the high tech sector, however, the week produced fairly compelling evidence that a recovery of sorts was getting underway—yet another significant pointer to the twin track economy which has begun to emerge over the last three years, with some sectors moving ahead quite out of step with others.

Digital Equipment, the world's second largest computer group, gave a particularly strong boost to the sector with a 23 per cent quarterly profit increase, due, it said, to a combination of currency factors, cost controls and the introduction of new products.

The shares jumped \$4 1/2 to \$141 1/2, a new high, and were followed up by shares in Honeywell, which showed equally spectacular results in its fourth quarter. Apple Computer, which generated record profits in the last three months of the year, and a host of other computer groups.

All the excitement over computers was enough to give a big boost to IBM's share price ahead of yesterday's figures, when the industry giant roared in with a 23 per cent gain in profit for the quarter at \$2.68bn. However, a sober warning about the lack of convincing evidence that the US economy was showing a sustained improvement, knocked the market euphoria on the head, and the shares fell by \$2 1/2 in the first hour of trading.

After announcing a 25 per cent quarterly earnings increase, achieved after considerably strengthening its loan-loss provisions, Chase Manhattan share price, for



Gold puts the bears to flight

ANGUISHED growls came from bears nursing singed paws in the gold market on Thursday. After rising \$6 to \$346.25 per ounce on the previous day the hullion price shot up to just on \$380 at one time—the highest for 19 sleepy months—as the bears rushed to cover their short positions.

Of course, it is never difficult to find those who decry investment in gold and who speak contemptuously of "gold bugs." Indeed until this week, the price

stubbornly refused to respond to background positive factors. They include concern at the huge US deficit, Third World debts, the occasional US bank failure, weakness in the dollar, unrest in South Africa—the world's biggest producer of the metal—and a good industrial demand.

On the other hand, the bears have pointed to negative factors such as lower oil prices, reportedly heavy Russian sales of gold, high interest rates and—perhaps most important of all—low inflation in the US and Europe counted with more attractive alternative investment opportunities for money. So against this balance of bull

GOLD MINE NET PROFITS

Table with 4 columns: Mine Name, December quarter, September quarter, June quarter, March quarter. Lists mines like Beatrice, Blyvooruitzicht, Bracken, etc.

and bear factors it has been a case of "when in doubt, do nowt" in the bullion market. Something new, it seems, has provided the trigger but nobody is very sure what it is. Plenty of reasons have been put forward ranging from Middle East investors moving

rise was enough to get speculative buyers jumping on the ride, excite the followers of charts and send the bears scurrying for cover. Inevitably the price quickly succumbed to profit-taking on Thursday.

Just what happens next is anybody's guess. Some feel it has all been a flash in the pan while others believe gold has at last moved back on to a rising trend. At all events, it might be as well for shareholders in gold mines to tread cautiously.

They have been piling into the South African issues, partly as a result of the sharply increased December quarter profits and half-yearly dividends announced this week. Because of the weakness of the South African rand during the quarter the mines have been receiving record domestic gold prices of about \$27,500 per kilogramme while the US price has been about \$325 per ounce.

Since the end of the quarter, however, the rand has tended to improve while the dollar has eased. Consequently when the dollar gold price closed at \$362 on Thursday, its rand equivalent was below the December quarter average at about R26,800.

Furthermore, it should be remembered that if gold prices rise further, quite a few of the more marginal mines have already sold forward part of their production and it is these mines which would otherwise gain most from the gearing effect on profits of rising gold prices.

Still, all the mines are doing nicely as it is and notably good final dividends have been declared this week by Vaal Reefs and Western Deep.

Kenneth Marston

New curbs ease heavy trading

THIS WEEK the Zurich stock exchange had to apply the brakes. Trading had become so heavy that sessions were running far over the legal time limit. Restrictions on second run-through have since brought the close of dealing back by up to two hours. Business volumes have fallen off correspondingly, but nobody feels that the Swiss equities bonanza is anything like over.

All three major bourses had a bumper 1985. Total turnover on the Zurich stock exchange rose by 45.5 per cent last year to Sfr 308,240m, while increases by at least 25 to 30 per cent are expected for Geneva and Basle. The Swiss Bank Corporation shares index went up in the course of the year by 57 per cent, gaining a further 6 per cent in the first trading days of 1986 to reach a record of 673.4 points on January 8.

It has since slackened off, but most observers believe a 700 index is only a matter of time. One reason for this is the majority of listed companies will be showing better results for last year than for 1984. Most interim reports point to a rise in earnings and the likelihood of numerous dividend increases.

Admittedly, the marked upswing in share prices has made Swiss equity yields even more modest than usual at an overall average of about 1.3 per cent. Prices are still reasonable in an international comparison, however, and made more attractive by their resilience, the strong Swiss franc and a corporate dividend policy which has become much more generous over the past couple of years. Also, overall interest levels are low in Switzerland, where inflation could well fall this year to the 2-2.5 per cent bracket or, as the National Bank hopes, to as low as 1.5 per cent.

At the same time, the domestic investing public is being substantially reinforced by the sharp growth in pension-fund portfolios. Following the recent introduction of a far-reaching occupational pensions law, these could expand from Sfr 113bn in 1983 to at least Sfr 200bn by 2000. As yet, these funds have put only a fraction of the statutory 30 per cent maximum into equities.

White demand from both home and abroad is therefore likely at least to hold, Switzerland's stock exchanges are hard at work expanding. The new Basle bourse, due for official inauguration at the end of February, actually opened for business earlier this month and has now extended nine-month forward trading to include bank shares. Always something of a pioneer, Basle is also looking at the possibilities of special ring trading in venture capital stock, Geneva, which is soon to open its new premises, is said to be considering the venture capital idea, too.

Zurich still has some years to wait for its new stock exchange but, in co-operation with Geneva, is to extend three-month forward trading to bank and insurance shares on February 1. According to bourse chairman Dr Nicolas J. Baer, traded options are foreseen for next year and futures for a later date.

There is definitely no lack of new equities on the market. In the first eleven months of 1985, total issues amounted to Sfr 2.1bn, a rise of a good 25 per cent over the same period of the previous year; this increase was due particularly to a new doubling—in Sfr 1.2bn—of the value of new bank shares.

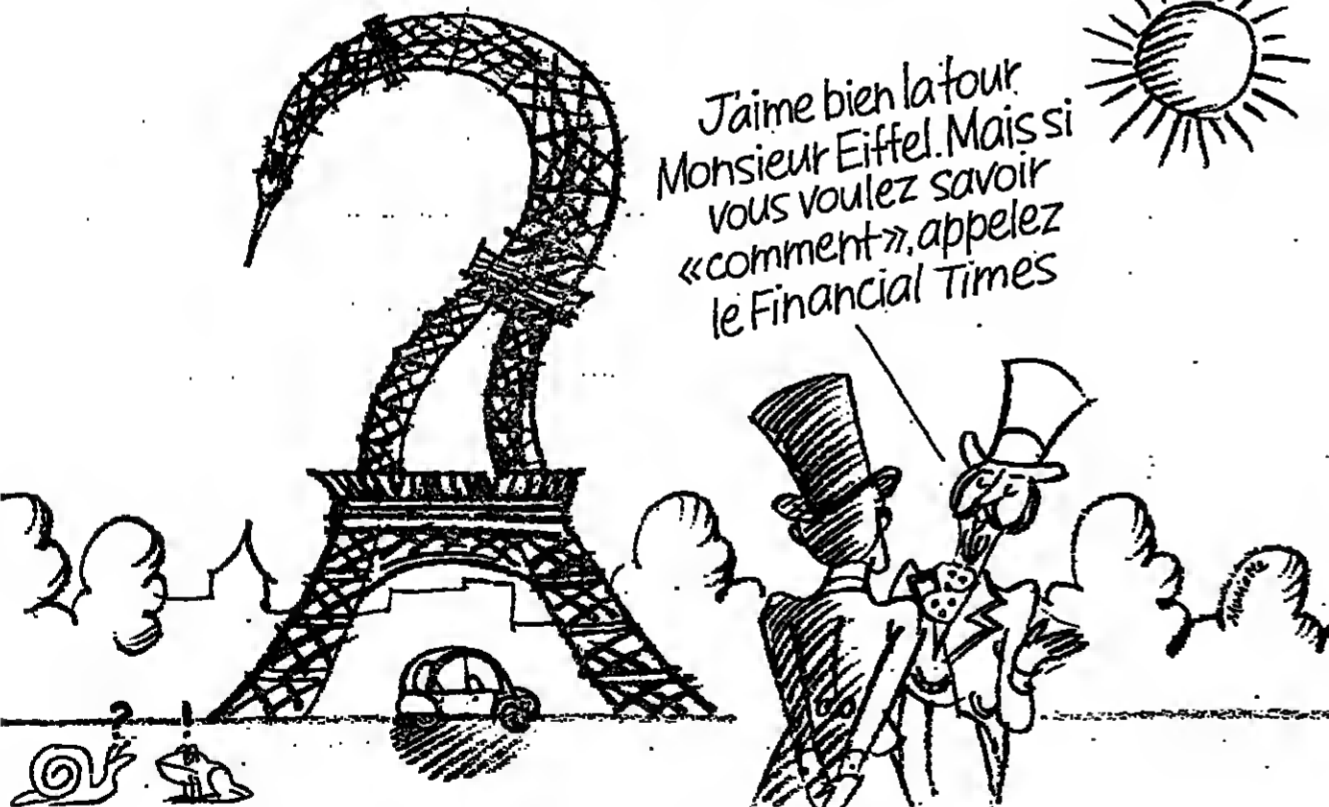
A particular phenomenon of the past months has been the popularity of participation certificates. Although these confer no voting rights on their holders, they are snapped up as soon as they hit the market. In the second half of last year, these dominated the market, raising a total of over Sfr 500m. The first certificate issues of this year have already been announced, one of them being linked to a Euro-equity deal by the Berne-based Swiss Volksbank.

The participation certificates are naturally popular with the companies who issue them, in that they mean no weakening of corporate control. The same goes for registered shares. These are generally reserved for Swiss holders but, as has frequently been shown, registration can be refused to "undesirable" domestic investors. Recent issues have been relatively modest, however, raising less than Sfr 31.7m in the second half of 1985. Growth will probably be restricted mainly to rights issues in future, since protection is much more complete with participation certificates.

John Wicks

INTERNATIONAL BUSINESS PHRASE BOOK: LESSON 1

When it comes to asking anything about international business information, the French have a phrase for it:



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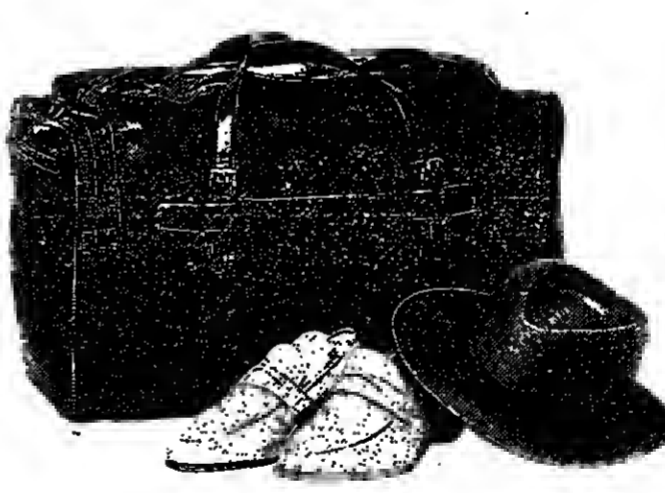
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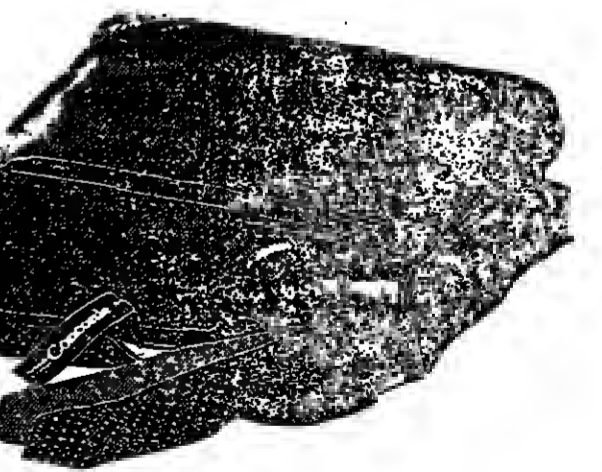
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FINANCE & THE FAMILY

Switching home loans at a cost

AFTER TWO years of preaching to Saturday FT readers, I thought it was about time I put my money where my mouth was.

I decided to switch my mortgage from one lender, National Westminster bank, to another. I was not moving house nor was I searching for a larger mortgage.

I just considered that NatWest Home Loans was charging an excessively high rate of interest and penalised existing borrowers.

I took out my original mortgage with NatWest in July 1983, when there was a nationwide shortage of mortgage funds.

In any case the rate of interest NatWest was charging on my £37,000 endowment mortgage in 1983 was not out of line with the rest of the market.

However over the next two years, there were several major changes in the mortgage market, as a result of the break-up of the building society cartel and the entry of foreign banks.

NatWest was obliged to follow the market in one respect: it cut its differential on endowment mortgages to only 0.5 percentage points.

A guarantee that existing borrowers will always pay the same rates as new borrowers has traditionally been viewed

as a vital element in protecting them against the power of a lender to vary interest rates at his discretion.

When Abbey National sought to remove differential rates for new, but not existing, borrowers with larger loans last year, there was a public outcry and it changed its plans.

In October 1985, I was paying on my NatWest loan (by then reduced to £30,000) a flat rate of interest of 14 per cent equivalent to a "true" Annual Percentage Rate (APR) of 15.1 per cent.

So I decided to look for another lender who had been consistently cheap, charged no differential for endowment mortgages or larger loans, and whose commercial interests pointed to a growing involvement in the UK mortgage market.

UKB insisted that my solicitor check the title to my (leasehold) property in full, and make local authority searches. This once again duplicated all the work carried out two years previously.

At least I had to deal with no time-consuming administrative complications, although the legal procedures meant that it took nine weeks, from October to December to complete.

Clive Wolman



Topping year for financials

FINANCIAL SHARE funds were the unlikely unit trust stars of 1985. Not normally noted for spectacular performance, they ended the year ahead of every unit trust sector bar the fashionable European funds.

The financial specialists notched up average gains of 18.3 per cent over the last 12 months, according to the latest Money Management statistics.

Behind their resurgence is a 20 per cent rise in the FTA Financial Index over 1985, alongside an improvement of only 15 per cent in the All-Share Index.

Clearing banks, about a quarter of the financial sector, also beat the All-Share Index as their third world debt provisions declined, floating rate note issues shored up their balance sheets, and the boom in profitable personal lending persisted.

Discount houses, feeling the pinch from high interest rates, and investment trusts, whose overseas asset valuations have been hit by currency movements, have also under-

performed, while mining finance houses and overseas traders— included by several financial trusts—back-peddled in 1985.

The 22m GRE Property Shares Trust, third in the league over one year, has similarly struck lucky in its stock selection. With only about 25 holdings, its big stakes in Peel and

Rosehaugh—up to 20 per cent of the portfolio in July—have had a noticeable impact on the unit price.

Smaller financial funds, with assets of less than about £10m and the flexibility to oip between sectors and into high flying small companies, came out on top last year.

County Bank Financial, for instance has almost 60 per cent in property companies, but is small enough—around £7m—to take large stakes in a few "special interest" stocks. It has avoided the large holding companies—commonly found in the more sizeable trusts—which have been undermined by the weak market for provincial office and industrial buildings.

Save and Prosper's two financial trusts, together totalling more than £175m, have tended to plump for the larger financial and property shares in the UK when, according to S&P investment director Chris Tracey "it has been the narrowly held and unmarketable property companies, merchant banks and others that have been doing well."

While the tidier trusts keep looking around for exciting special situations—which the ensuing financial services "revolution" promises to throw up in abundance—the older ones continue to stress the defensive qualities of a well diversified financial portfolio in the event of a weakening in the rest of the stock market.

Martin Winn

John Edwards

Perpetual motion

IN TRUE Community spirit, Perpetual Unit Trust group has recognised that Britain is part of Europe. In its European Growth Fund, just launched, the UK market will feature prominently in the initial portfolio with a 32 per cent stake, second only to the booming West German markets with 35 per cent.

The remainder will be spread among other continental European countries, including France 8 per cent, Switzerland 8 per cent, Italy and Netherlands 6 per cent each.

Martyr Arbib chairman of Perpetual said the inclusion of the UK markets in the fund widened the scope for investment by about 80 per cent. The 2,400-plus quoted companies in the UK represented 40 per cent of the total UK/Continental European market capitalisation.

Perpetual reduced its UK market exposure during 1985 in favour of greater participation in the American and European markets in its International Growth Fund, but feels that the UK should be an integral part of the new European fund.

Only latecomers in introducing a special fund for the region Perpetual believe "the time is still right to invest in Europe." The sole aim of the fund is to go for maximum capital growth. During the initial offer period up to February 7, the units will be sold at a fixed price of 50p providing an estimated gross yield of 2 per cent.

Mr Arbib said the outlook for West Germany remained encouraging in spite of the steep share prices there last year. He is also confident that the UK market will be boosted by further economic growth

FINANCIAL AND PROPERTY SHARE TRUSTS

Table with columns for 1 year, 2 years, 3 years, 5 years and rows for various trusts like Ardnathol, Barclays Unicorn, Britannia, etc.



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United Kingdom 32% Low inflation, together with double digit gains projected for corporate profits and dividends, combine to create many excellent investment opportunities.

France 8% Against a background of encouraging economic indicators, shares continue to provide prospects for growth.

Switzerland 8% Business confidence is running high with inflation declining and capacity utilisation averaging 86%.

Italy 6% The Italian stock market, although modest in size, is growing following strong demand from Italian mutual funds set up in 1983.

Netherlands 6% Low inflation and increases in domestic consumption and exports should boost share prices.

Other European Markets 5% Stock markets may include those of Spain, Belgium, Sweden, Norway, Denmark and Austria.

Perpetual in Europe Perpetual has been investing successfully in European shares for some years through international unit trusts. The International Growth Fund,



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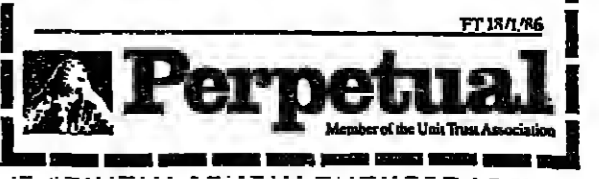
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Home watch scheme

Protect property and prune premiums

THE DOUBLING of the rate of theft and burglaries over the last few years has seemingly been only matched by the rise in home insurance premiums. As the number of break-ins and robberies soar so does insurance particularly in the inner-city.

But for two years, something has been rising at an even faster rate: the number of neighbourhood watch schemes being started. Neighbourhood watch is an American idea, imported with varying degrees of enthusiasm by British police chiefs.

It involves the community in keeping one eye on neighbours' property and the other out for suspicious strangers. There are now more than 7,200 schemes in the UK. Participants are encouraged to put up stickers to warn potential burglars they are in a neighbourhood watch area, to mark their possessions and become security conscious. The scheme appears to be working with the Home Office saying that reductions in crime of 50 per cent in some watch areas are common.

So far, there has been little recognition of this fact by the insurance industry in spite of appeals by Sir Kenneth Newman, the Metropolitan police commissioner, and other senior police officers.

Earlier this year Newman lectured insurance brokers on what is "good insurance practice." The system applied to drivers, for instance, is good practice—fixing rates according to age, occupation and record of the driver, car driven and other variables.

"But the householder," he said, "can install alarms, join a neighbourhood watch scheme, mark all his property, and be

LAST WEEK the Prime Minister, in between her other problems, organised a seminar on crime prevention. The seminar included a personal appeal, backed by Mr Douglas Hurd, Secretary of State at the Home Office, that insurers should do more to encourage crime prevention by reducing premiums where householders had taken the necessary security precautions.

The plea, which could almost be described as a demand, was followed up by the Metropolitan Police Commissioner, Sir Kenneth Newman. He told insurance companies' representatives at the Insurance Institute of London that unless insurers took account of measures taken by householders in assessing risks and premiums they would lose business.

Sir Kenneth referred to the success of neighbourhood watch schemes in London involving over half a million homes, and complained that the insurance companies took no account of these schemes, or any other feature, in their premium rating.

Brian Corby, chairman of the Association of British Insurers, and chief executive of the Prudential, put the

insurers' point of view to the Prime Minister's seminar. He pointed out that even with the recent increases, house contents premiums are relatively small—still under £200 a year for the average household. Insurance companies can only operate commercially at this level of premium by underwriting large volumes—such as all the houses within a particular post code.

Ultimately, if neighbourhood watch schemes become widespread and successful then this will be reflected in the claims experience of a particular post code area and premiums should be marked down accordingly.

But insurance companies, already suffering heavy losses on their house contents portfolios, are not going to anticipate the long-term success of these schemes. So the leading companies will first wait for results to show a steady improvement.

Some of the smaller companies, however, have taken action to reward security-conscious householders. Ecanomic Insurance, with insurance brokers Hill House Hamond, have just launched a new scheme, Homecare

Plus, which offers discounts to many householders who take security precautions.

The householder is required to answer a detailed questionnaire. If satisfactory, a 15 per cent discount in a rural area and 10 per cent in most other areas is offered. But there is no discount for householders in London and other major inner city areas.

There are, however, certain conditions. The householder must agree to keep his house locked whenever it is left empty, even for short periods. The housewife, who visits a neighbour for just a minute and stays two hours leaving the back door unlocked, gets no payment if the house is burgled. Similarly if the security conditions were not up to requirements then the insurance would be void.

Corahill Insurance offer a 55 discount off householder policies if domestic security measures are approved by the local Crime Prevention Officer. Here the CPO is seen as acting as an unpaid inspector for the company. At present the scheme operates in only three police districts.

Eric Short

April. The premiums for "new for old" house contents cover are £6.50 a £1,000 insured in London postal districts, and £5 a £1,000 in outer London suburban areas. This compares with the £15 a £1,000 many larger companies are now charging in inner-London districts.

Reaching for an ancient file, Brownhill pulls out a policy written 21 years ago, soon after he left an underwriting career in the City to set up a local broking business. It was for a home contents policy for a local address. The sum assured was £500, the premium £1 17s 6d (£1.821p). Today, Brownhill says, "the same company would charge the same householder £15 per £1,000—and there would probably be a minimum of £195."

While it is essential to be a member of a recognised neighbourhood watch scheme to take out one of Brownhill's policies, he also demands a "minimum standard of protection." By this is meant a good mortice dead lock on ground floor doors, and window locks on downstairs windows.

As the number of schemes spread—now more than 1,500 in London, 1,000 in Cheshire—there is nowhere else for the thief to go. So he returns to the original street to rob the by-now less assiduous and enthusiastic residents. Time will tell. Meanwhile, householders are gaining a valuable reward in reduced premiums for their watchfulness—and others an incentive to organise their own neighbourhood watch.

Jonathan Hunt

careful about locking doors and windows. Yet he will be asked to pay exactly the same premium as his neighbour who does none of these things. I would suggest this is poor insurance practice."

Poor practice or not, the big insurance companies are not budging. The British Insurance Brokers' Association is sympathetic, but so far "is watch-

ing with interest" two small schemes set up by two of its members. One, run by Paul Strover in Essex, offers a £10 discount and reductions of up to 10 per cent to members of neighbourhood watch schemes.

The second is marketed mainly in south London. It was devised by broker John Brownhill, based in Sydenham. A keen voluntary organiser in his own

neighbourhood watch scheme, he began keeping statistics about the incidence of claims from customers where watch schemes had started.

"The results were quite staggering," he says. So much so that he had little trouble in persuading Lloyd's specialist syndicates to underwrite the risks when he launched the neighbourhood watch policy last

year. The number of claims was down by 30 per cent. The amount of cover rises each year in line with NAE, both before and during a claim.

Naturally the higher the level of cover the greater the premium. Under total indexation the premium rises with NAE, while under a level benefit it remains constant, except for policy fee increases. (Incidentally, it is difficult to understand the rationale of the second benefit.)

The longer the waiting period, the lower the premium. However, employees should relate the waiting period to the period of illness during which their employer pays some or all of their salary. Often this is six months or a year. The self-employed, without this luxury, usually require a shorter waiting period.

PHI premiums also vary with occupation, since employees in some occupations are more vulnerable to illness or disability.

This new plan has four categories of occupation—the most "dangerous" including bodyguard, demolition worker and lumberjack—occupations which Allied Dunbar will not cover. High risk occupations,

which will be covered at a price, include heavy goods vehicle drivers.

Finally PHI premiums vary with the sex of the policyholder: women pay a higher premium than men. The right of life companies to continue charging women more was upheld by a court decision last year—the Pennifer Pinder case.

While following industry practice in charging higher premiums for women, Allied Dunbar has gone to considerable lengths to ascertain the basis for differentiation and explains why it has done so.

There are two main points. First, data from both the UK and US shows that women are more prone to long term sickness than men, although the difference reduces with higher ages.

Secondly women are far more durable when they fall ill than men. Thus not only can life companies expect more claims from women than men, they are also likely to pay benefit for longer periods.

Allied Dunbar will be marketing the plan through its direct sales associates, who have received intensive training and been tested on the new product, and through independent intermediaries.

Eric Short

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FT 7/81

Income in sickness

MARK WEINBERG and his executive team revolutionised the UK savings market with the development of the unit-linked concept.

Now though his company Allied Dunbar has turned his attention to a completely different aspect of UK life assurance—long-term sickness protection, known as Permanent Health Insurance (PHI).

Permanent Health Insurance has become part of the standard jargon of UK life assurance. Yet its name can be misleading for the layman. PHI is not about health, but about protection for long-term sickness or disability. So Allied Dunbar calls its new scheme Income Protection Plan, which is what PHI is all about. It replaces income which a person often loses when struck down by illness or disability.

Potential policyholders are offered three types of benefit:

- A level benefit. This is the standard type of PHI contract under which the level of income benefit paid under a claim remains level in money terms throughout the duration of the contract.
- Indexation of benefit during the claim period only. Here the level of income cover is constant until a claim arises. Then the amount paid rises in

Fine art worries

THE BUSINESS Expansion Scheme is under fire. The original idea was that high income earners, in return for tax relief, would be encouraged to invest in new companies, thus funding another generation of entrepreneurs and boosting employment.

In the event bright City types quickly devised asset-heavy companies which could hardly fail. In turn farming and property development have been put outside the scope of the BES, and now the searchlight is on wine and antiques companies.

This is unfortunate for the four companies of picture dealers who have been financed, or are in the throes of being financed, through the BES. Even if the Chancellor of the Exchequer feels that antique dealers are using the cash raised to invest in assets rather than in trading, and so should not qualify under the scheme, he is unlikely to make any change retrospective: the companies will survive, but their reputation, in a business which is sensitive to appearances, would be damaged.

No-one can pretend that antiques companies are big employers of labour, but their restorers and transporters. It is also difficult for young dealers to make the jump from trading at home to opening up a gallery. Most galleries are in smart areas of London, or wealthy provincial towns, and the cost of establishing a

Fair shares for women

"LEADING LADIES" is the name of a Business Expansion Scheme launched this week. It hopes to raise £5m, to invest in businesses run by women or encouraging women in business and commerce.

Women entrepreneurs who apply for investment help from the fund will be assessed by a committee of five women. Jennifer Laing, deputy chairman of advertising agents Sootchi & Saatchi-Compton; Anne Balfour-Fraser, chairman of Balfour Films; June Goodfield, science historian and author; Louise Medawar, managing director of mail order company Nightingale; and Liz Phillips, retailer and journalist. The committee will be advised by chartered accountants Pest Marwick Mitchell in the appraisal of prospective target companies.

The fund will invest in the minimum of five companies, with the maximum amount which can be put into one company limited to 25 per cent of the fund.

The minimum subscription for investors is set at £2,500. The fund will close for subscriptions when £5m has been raised or on March 1, whichever is the earliest. No investment will be made by the fund unless at least £250,000 has been subscribed.

The fund intends to be fully invested before April 4 so that investors can claim tax relief for the 1984-85 fiscal year.

Businesswomen wishing to apply for investment from the fund will have to make their application by February 1. Shonaig Macpherson, who works for a London firm of solicitors and hoped think up

Hotel chain plans

NEARLY £7M is being sought from investors for a Business Expansion Scheme aimed at expanding the market for two-star hotels in Britain.

Finotel plc was formed in 1983 to develop in the UK the Hotel Ibis chain, owned by a French company, Sphère, that has grown rapidly in the past 10 years. It now has over 150 hotels worldwide; it has evidently tapped a receptive market, providing competitively priced hotel accommodation of a standard design where running costs are kept to a minimum.

Finotel originally raised equity capital of £5.3m. It opened its first hotel near the Heathrow airport in June 1985.

It has started building another hotel near Euston station in London (due to open in July 1987) and plans to construct a further three hotels.

Investors in the original setting up of Finotel included five Business Expansion Scheme funds managed by Electra, County Bank, Minister Trust, Britannia and Abbey. Now Electra is sponsoring the raising of the further funds required to finance the development programme through a BES scheme offering investors 5m shares of £1 each at £1.40 per share.

The offer will remain open until April 18, so that investors have the chance of claiming the tax relief either in the 1985-86 fiscal year or 1986-87.

Offer extended

HAVING FAILED to reach the minimum subscription of £4m by the original closing date of December 20, the Business Expansion Scheme for the development of Stapleford Park into a luxury country house hotel and sporting estate has been extended until January 31.

Chairman Mr Bob Payton, the American restaurateur who is masterminding the project, says that it has already received about £2m.

The company was hoping to raise as much as £8m. The sponsors are Granville & Co and M.C.G. Minimum investment is £1,500. Hoskins Brewery Business Expansion Scheme is also extending its offer period from January 10 to 31. It has, however, already surpassed its

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FT 18/85

Target is triple the value

PRESSING AHEAD with its support for Business Expansion Scheme, Oakland Management Holdings is launching its fifth Alpha fund. Sponsored by stockbrokers Laurence Prust, it is seeking to raise a further £2m. The minimum subscription is £2,000.

The management charge will be reduced to 3 per cent on applications made before August 31. A fee of 20 p.p.s.

rise to 5 per cent until the closing date of February 21. Investors in the previous four Alpha funds will be charged only 3 per cent whenever they apply.

Ron Fisher, Oakland chairman, said the company's target was to triple the value of the initial investment in the five-year period. So far the Alpha 1 fund was slipping behind this target, but he was optimistic that it would be attained by the later funds. About £5m has been invested in 28 companies through the first four funds with mixed success.

Alpha 4 plans to be fully invested in a minimum of five companies by April 6 to ensure that tax relief will be available during the fiscal year.

هكازمان الأصيل

Jane Allan, chartered accountant, concludes her series on unravelling company books.

HOWEVER MUCH information is gleaned from reading annual reports and accounts, further knowledge can be acquired by applying a few ratios. Ratios can provide a guide to the profitability of the company, and indicate whether it is likely to have to change its future policy.

Information in annual reports is historic. It is bound to be. With the best will in the world a company cannot easily publish its annual accounts sooner than six weeks after the year end and the norm is closer to three months. Thus at least one half of the information in the accounts is over nine months old. Current information can be deduced by applying ratios to the accounts and making assumptions based on those ratios.

Is the company gearing itself up for future growth? Future growth means more money ploughed back into the company to fund that growth. First look at the source and application of funds statement; is money being invested in the working capital of the company? If so is it enough? How many times is the company turning over its stock? How long does it take to collect payment for that stock?

Deduct the turnover, or sales figure, from the profit and loss account and divide it by the year-end figure shown in the balance sheet. If the answer is six then the company is taking on average two months to turn over its stock. This means that the working capital must be large enough to fund stocks at

Understanding Reports and Accounts



The final count

that level if it is to continue to trade to the same extent, and at a higher level if the company is to make more sales from stock.

To relate the turnover figure to the closing "trade debtors" figure on the balance sheet, divide the turnover by the debtors and multiply the product by 365. That will show the average number of days it takes to collect payment from credit customers. Most companies sell on 30 days strictly net, but they supply on an average of 50 plus days. To finance this business the company needs to fund stocks not just for the two months it takes to sell them, but also for the extra 50 days it takes to collect the money from the sale.

If a company is generating enough funds to expand the stock in these terms it cannot increase its sales without outside funding and higher gearing, or without taking the money from another source. How quickly is the company paying its creditors? Divide the turnover by the "outstanding creditors" figure at the year end, and multiply the product by 365. If the com-

pany pays quicker than average, here is a potential source of funding for growth; simply slow down the payment of creditors.

Having enough working capital is essential before a company can begin to generate enough profit. But what is enough profit? What is the real return on the capital employed in the business? What is the total amount of capital used to run the business? Capital after all is not just the share capital, nor even just the shareholders' funds. Most businesses have at least one type of loan capital.

Add together the share capital and the reserves; that makes the shareholders' funds. Then add on any borrowed capital, overdrafts or bank loans, hire purchase funding or other loans; that is the total capital employed in the business.

What return is the business offering now? Take the trading profit of the company before tax and divide that by the total capital employed, multiplying the product by 100. Is that return comparable with other investments such as the money market and building societies?

Is it comparable with other companies trading in the same field?

Look at the capital employed in relation to the turnover of the company. Is the company using its capital to generate enough sales? Consider the stock turnover ratio, is the company capable of meeting further sales were the demand to be created?

What contribution did the extraordinary items make to the trading of the company? If selling off a subsidiary meant greater cash flow, will that cash flow be able to create further sales and hence profit in the future or will it be needed to pay off loans?

The final thing to consider when looking to the future in a set of accounts is: are there any nasty surprises tucked around the corner? Companies must explain in the notes to the accounts about any contingent liabilities that may arise in the future and if possible quantify them.

A contingent liability is defined in accounting terms as an event or expense that will fall due as the direct result of the effect of another event. Law suits, which may lead to damages being awarded, are good examples of contingent liabilities; so are guarantees given to third parties in respect of the trading of members of a group. These are usually given to the bankers of the subsidiary companies to guarantee that if the subsidiary goes into liquidation, the holding company will refund the bank to the level of any indebtedness.

You cannot totally predict the future of the company, but you can get a good picture of the likely events and the possible outcomes.

Forbidden footsteps

I have just had a concrete path constructed from my front door to the pavement in front. During the drying of one section someone, presumably a schoolboy prankster, walked in the wet cement and left large footprints. These were filled in by the contractor but with a concrete mixture of significantly different colour. The result is very unsightly. Do I, in your opinion, have any claim against the contractor for restoring the repair? Unless you could establish that the contractor was negligent in allowing the footprints to be made we think that you would have no valid claim.

columns from time to time over the years — the most recent occasion being November 2 (at the end of the Briefcase column) — but it still comes as a nasty shock to many regular readers like you.

Following publication of one of our warnings about this surcharge, the point was raised by an MP. He was told by the then Financial Secretary that top slicing was denied to the elderly to prevent them from avoiding tax by buying insurance bonds in the years before their 65th birthday, in anticipation of a drop in their income by the year of maturity of each bond.

retirement will have taken place at the date of the freehold sale.

If the lease transaction took place first, I believe there would be no problem as retirement would have taken place and the freehold could be sold within the next year with full relief. Am I right?

Your concern is justified, but it looks as though you have misunderstood the suggestion. Cannot the transactions take place on the same day? Professional guidance is essential, but presumably you have the benefit of a solicitor's advice, even if you have no accountant. If you doubt your solicitor's (or accountant's) competence in tax matters, maybe your bank manager or another local business proprietor can recommend a better firm.

The free Inland Revenue booklet IR27 (Taxation of income from real property) may be useful as an aide-memoire of the income tax pitfalls surrounding the grant of a lease for a premium, etc.

No formal rent agreement

In 1973 my late mother gave my wife and me the sum of £24,500 which we applied to buying her house and adjoining cottage. The cottage has been let throughout the subsequent period furnished and tax paid by us while my mother lived in the main house rent free until her recent death. There



was no formal agreement to this arrangement, although throughout the past twenty years we have actively supported her by continuous phone calls, visits, maintenance of the property and supervision of her investments. The investments are now inherited exempt from CGT by my brothers, being of the order of £35,000.

1—If we sell the main house should we be exempt from CGT on the basis of my mother's residence therein rent free as a dependent relative irrespective of the fact of our initially receiving a gift of money with which to buy it?

2—If so is there a time limit during which a sale would have to be made?

3—Is there any virtue in our selling our present property and occupying this property ourselves?

4—No. Ask your tax inspector for the free pamphlet CGT4 (Owner-occupied houses) and the free booklet IRI (Extra-statutory concessions); look at concession D20.

5—The second anniversary of your mother's death, as you will see from the CGT4 and concessions D3 to D6 and D21).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

The limits of 'top-slicing'

I am familiar with the system of "top slicing" used to determine the tax on interest accumulated over a long period on various types of bonds.

Can you tell me if this system can be used for age allowance calculations?

A relative whose income falls within the age allowance limits has recently had an insurance company bond matured after 10 years growth. If the total profit is added to her income this year her income will be over the limit. If top slicing were available her income would be within the limits.

No. The 20 per cent age surcharge on insurance bond gains has been mentioned in our

Tax relief on retirement

Can you assist with a query that has arisen over retirement relief at the age of 58, with a medical certificate?

The business has been valued at £100,000 but suitable purchasers (working bakers) have not been found. It has been suggested that the freehold be sold for £50,000 (buyer available). The purchaser will grant a lease of 24 years at £7,500 and this, it is understood, could be sold for £50,000.

I am concerned that if the proposed purchase of the freehold takes place first and a lease is granted, that is then to be sold, retirement relief will not be available on the freehold sum. The reason being that in

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- has already raised equity capital of over £5 million
- opened the Hotel Ibis Heathrow in June 1985 and is building a second hotel in central London

Sphere S.A. which owns the Hotel Ibis name, is providing management expertise. There are already 150 Ibis hotels in eight countries. Tax certificates should be available to subscribers shortly after allotment. Applications to subscribe will only be accepted on the terms of the prospectus and on completion of the application form attached thereto. Copies of the prospectus can be obtained by telephoning 01-240 8565 (24 hours) or by writing to Electra Management P.L.C. (ref Finotel), Electra House, Temple Place, London WC2R 3HP.

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Warburgs has been managing funds in continental Europe for decades and has an excellent record of successful fund management in this area.

We believe that Europe is likely to remain an attractive area for investment over the next twelve months. The economies of the principal countries are improving. Tax incentives are now widely offered to investors, interest rates in many countries are falling and there is greater activity by domestic as well as foreign investors.

For more information about Mercury European Growth Fund, just send us the coupon, or telephone us on 01-280 2860.

(If you require an above-average income from your European investments, you may also be interested in details of Mercury European Income Fund.)

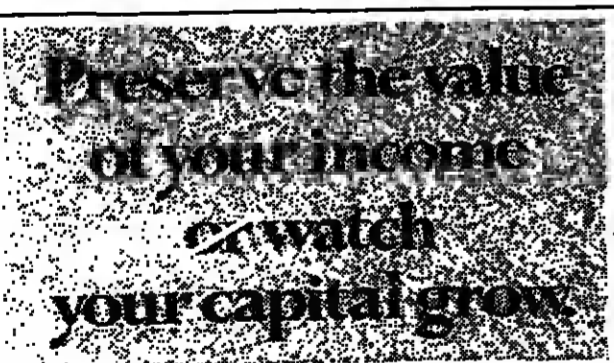
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To: Mercury Fund Managers Ltd., 33 King William Street, London EC4R 9AS. Please send me details of Mercury's European invested unit trusts.

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Postcode _____ FT18/1

*Source: Planned Savings, and Money Management. Figures at 1st January 1986, on an offer price to bid price basis, with net income reinvested. These figures demonstrate the past performance of the fund and are not necessarily any guide to future performance.



It's all too easy to get caught in the money trap.

Either your income suffers or your capital dwindles.

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It's called the Hill Samuel Monthly Income Scheme, which combines the security of a Building Society with the growth potential of Unit Trusts.

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To Ian O'Brien, Hill Samuel Unit Trust Managers Limited, 45 Beech Street, London EC2P 2LX. Telephone: 01-628 8011. I would like to know more about the Hill Samuel Monthly Income Scheme. FT18/1/86 C

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PROPERTY

Daisies, daisies all the way...

SOUTH AFRICA is rich in beautiful daisies but some have a very brief life span. You have to be right on cue to catch the superlative display of the dimorphic daisies in Namaqualand...

Thompson and Morgan of Ipswich, who have seed of Starshine in their 1986 catalogue, also are offering young plants of three selected varieties of osteospermum...



M's names, since both varieties clearly are related very closely and are quite distinct in flower form from any other osteospermum.

Not so the osteosperms, which are spread around from the Cape to the Drakensburg Mountains and have developed a long flowering season that makes them highly useful as garden plants...

So, it is left to small specialist nurseries to sell them and they are not anxious and seedmen tend to overlook them. One variety, Glistening White, appears in a few catalogues...

What makes them so utterly different is that each petal is rolled up for part of its length, so giving it the shape of a little spoon with a handle at one end and a tiny scoop at the other...



seen Buttermilk at shows but have not yet grown it and do not know from what species it has been developed...

Although the Whirligigs and Osteospermum ecklonis flower non-stop from spring to autumn, there can be a continuity problem with some forms of O. barbara...

Other osteosperms can be picked up here and there. The newly formed Burcombe and Southern Nurseries at Gwent...

But now that Ralph Gould's hybrid strain is available, perhaps the best way to start is to invest in a packet of seed and see what emerges from that lucky draw...

Arthur Hellyer

A little place in the Alps

BUYING a property in one of Europe's Alpine resorts may not be as prevalent as acquiring one in the Mediterranean...

A three- to four-month ski season, plus a similar summer period, means considerable potential for steady rental income...

There is a quota system for buying in Austria, a country which has gone through complex social and political traumas in the past...

Over the last five years, the value of sterling against the Austrian schilling—there are currently some 26 schillings to the £—has declined by about 5 per cent a year...

At Schlading, ski-championship resort, chartered surveyors

At Schlading, ski-championship resort, chartered surveyors



Montchavin Village, France, Mers Alpes development where apartments sell from around £35,000 through Worktown International (01-629 8319)

holm, Laugholm, Dumfrieshire, whose portfolio extends to Andorra, principally in the mountains between France and Spain.

Property buying is permitted in parts of Styria, south-eastern province of Austria, known as Steiermark. As well as mountains and lakes, there are impressive conifer forests...

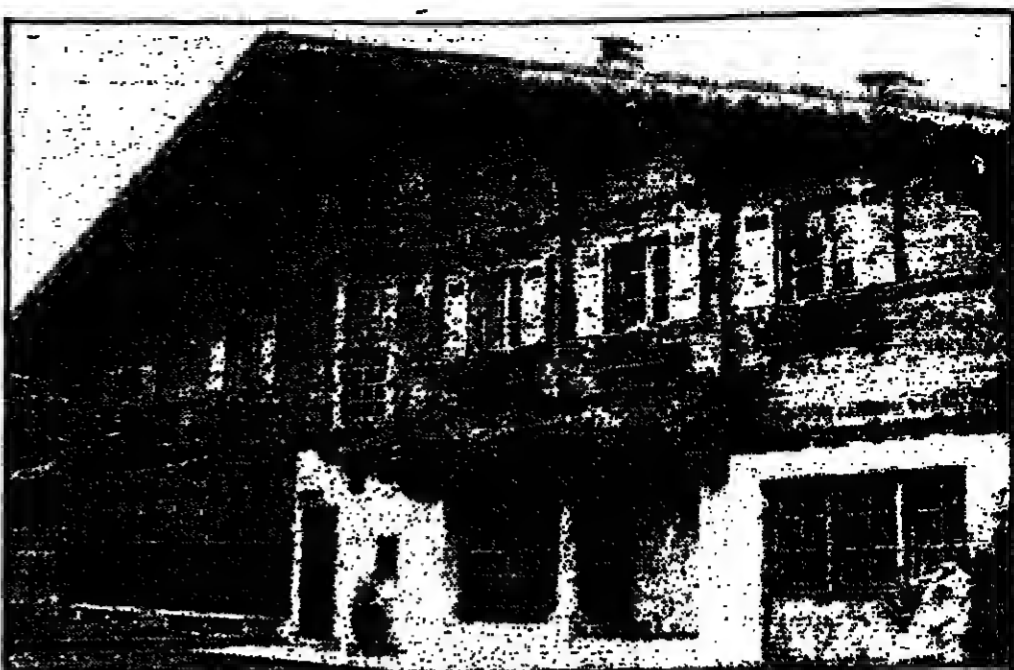
For the skier there are 550 km of prepared pistes. The less athletic, like me, can get around by horse-drawn sleigh including rugs and fiery brandy to keep out the cold...

At Schlading, ski-championship resort, chartered surveyors

At Schlading, ski-championship resort, chartered surveyors



Montchavin Village, France, Mers Alpes development where apartments sell from around £35,000 through Worktown International (01-629 8319)



Le Caribou Villars, Switzerland, 12 bedroom, 6 bathroom chalet, for sale at £1.6m through Hilary Scott Property (01-876 6555)

Foreigners can apply for Swiss residency, although applications are generally only considered by the over 60s who are retired and can prove independent means.

The most popular areas to buy in are Villars, Verbier, Les Diablerets, Montreux and Lugano. There is considerable interest too, in the smaller, traditional village resorts...

The simple answer is that with its stable economy, no exchange control and strong currency, plus low rate of inflation—between 3 and 5 per cent—Switzerland still has a strong appeal for long-term investment...

Since March 23 1981, the lex Furgler, named after the Swiss Minister of Justice and Police, Dr Kurt Furgler, limits property sales to a proportion of outsiders...

The British market particularly, is currently very buoyant, with the average buyer spending between £100,000 to £150,000 often as a cash purchase.

Each of their apartments at Les Cochets, Meribel Mottaret and Valmorel, is automatically linked into a letting unit.

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Meribel Mottaret, France, where large apartments sell for around £60,000 through Worktown International (01-629 8319)



Meribel Mottaret, France, where large apartments sell for around £60,000 through Worktown International (01-629 8319)

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SWITZERLAND

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Just released, new block of 22, 1, 2 and 3 bedrooms, 2 bathroom apartments with swimming pool, all set in landscaped grounds.

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Apartments for sale in world class resorts. £20,000-£70,000. Glacier Skiing in summer, heated pool, sauna, tennis courts, 1 night free in hotel in view.

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Apartments for sale in world class resorts. £20,000-£70,000. Glacier Skiing in summer, heated pool, sauna, tennis courts, 1 night free in hotel in view.

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Buy your 1st home closer to work! You haven't got to move out to get a reasonably priced home of your own. Take your pick any day (Thurs to Mon incl) from 10am to 5pm.

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SHORT LETS. Knightsbridge. Immaculate apartment, 1 bedroom, reception room, kitchen and bathroom.

MAYFAIR, W1. Newly furnished and decorated flat, done to a very high standard. The property is located in one of London's most prestigious areas.

Savoy Apartments, London WC2. The first of London's most exclusive fully furnished apartments in this new luxury development.

CHESTERTONS. CHESTERTON ROAD, W10. 3 bed, 2 bath, built and fitted for floor jacking, gas central heating, 92 year lease.

مکان لائسنس

DIVERSIONS

A cost-effective count of the spoons

IN 1974 the late Sir Val Duncan set a young Israeli the task of finding some 'bottles of olive oil he had buried in the garden of his Majorca home...

your own—go out and make some money. The first few experiences were not happy ones...

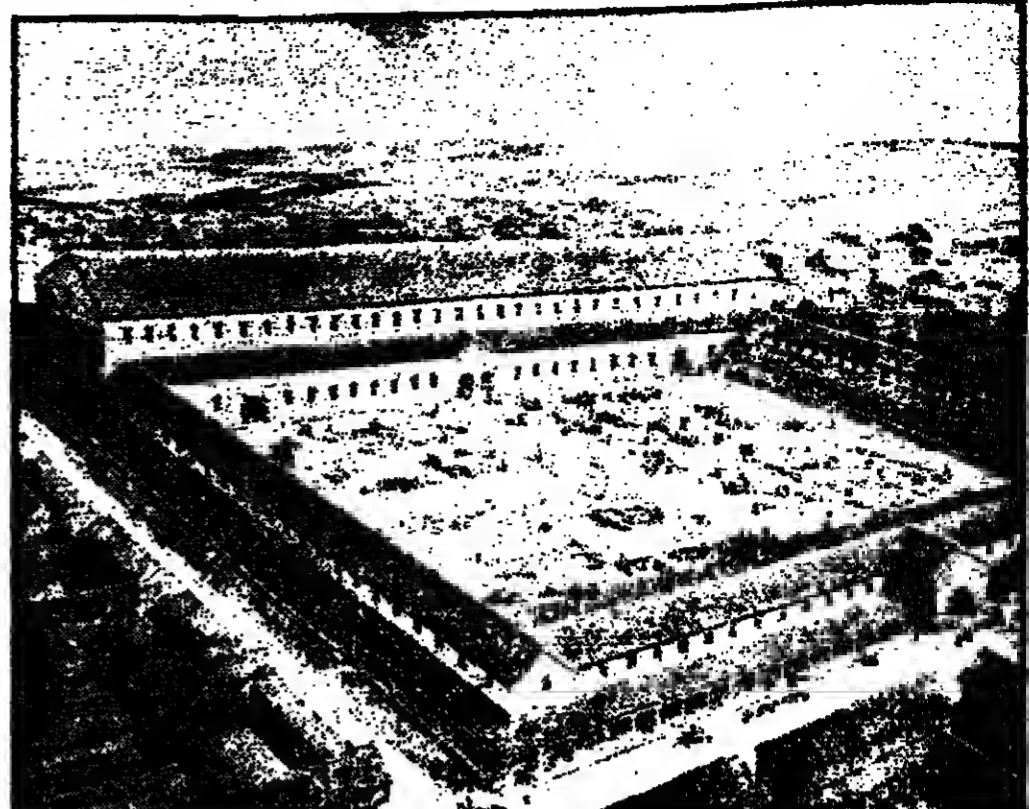


Uri Geller

sent Uri some topographical maps and he rang us back and said 'You should be looking for diamonds on Malaita...'

As for other proof? There is no doubt that Geller is extremely rich. Living at the moment in two very grand apartments overlooking one of London's loveliest parks...

Archaeology



London's Roman forum and basilica in the second century

If stones could speak

WHAT SHOULD be the most important Roman excavation for decades has just begun at London's Leadenhall Court...

bered find is the Temple of Mithras (Walbrook), but they were also the forum at Cripplegate and the Governor's palace at Cannon Street station...

Lundinium seems to have grown fast: the new dig may tell more of just how fast. It was sacked by Boadicea in the revolt of 60/61...

Collecting

What's left after the ball is over



Lady Jane Grey from 'Fancy Dresses Described' 1882.

COSTUME balls began to be popular in Europe early in the 1800s. Louise, Queen of the Belgians, gave several in Brussels in 1836 and 1837...

"falling straight to the feet, without much extra width." Instead, it aped the then-popular pannier-style which followed the demise of the crinoline...

rowing-piece, pistols and hatchet as well as a green parrot and umbrella. Debenham's, of course, would make up any of the 1,000 or so costumes featured, with wigs and swords a speciality...

Three bumble bees, a Dutch girl and boy and a Harlequin make up the Clifton family's donation. The most recent offerings are from 70-year-old Ellen Brook of Essex...

CHESS

THE PRESENCE of the exiled Soviet grandmasters Korchnoi and Spassky in Western Europe has had a markedly favourable effect on the level of tournament activity in recent years...

opposition. K and S outdistanced the field. Korchnoi began with 10 out of 11 before easing up at the finish and allowing Spassky within half a point...

Siellian Defence (Brussels 1955) 1. P-K4, P-Q4; 2. N-KB3, P-Q3; 3. P-Q4, P-xP; 4. N-xP...

BRIDGE THE DECEMBER gods did not deal me a fair share of good hands, but my New Year's Eve they relented...

With North-South vulnerable, South dealt and bid two no trumps, and North raised to three. West was allowed to make two spades...

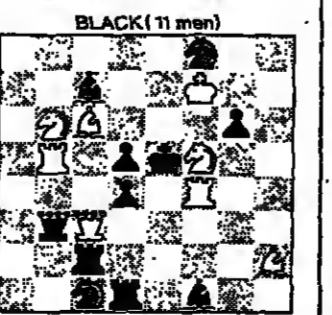
Country Notes

The tithes no longer bind

DURING the inter-war period most land carried a tithe rent and the remains of the ancient right of the Church to one tenth of a farm's annual produce...

avoid payment. There were some quite violent disturbances and the term 'Tithe War' was in common use. Now all is peace...

calls "the conveyancing trap," with no means of establishing an appeal before purchase, and no redress afterwards...



White mates in two moves, against any defence (by J. Harling, Ohra Amsterdam 1985). Offered as a competition prize problem, this diagram so intrigued solvers that more than 1,400 from all over the world sent in entries.

هكذا من الامم

DIVERSIONS



Lights fantastic

BRITISH HOME STORES lighting department has long been one of the first stopping-off points for those interested in inexpensive lighting of high quality.



Throwaway lines

WE HAVE had "throws" for transforming people (the great American idea of the huge shawl that added instant glamour and warmth).

Winter warmers

FOR SKIERS or those who find the winter just plain chilly, the range of underwear designed to keep them warm gets prettier all the time.



Carpet cleaning

IF YOUR carpets look anything like the way mine did just after Christmas (23 people opening presents, munching nibbles and drinking champagne do not improve anybody's carpet)

An all-English jungle outfit

I SHOULD have known better. It takes just a single mention that one has failed to find something for one to be taken firmly to task by those who have long been supplying just the very thing.

gadgets. The catalogue is free from Survival Aids, Morland, Cumbria, CA10 3AZ.



Instant chic

ANYBODY with half an eye open can hardly have failed to notice that the most fashionable shape for shoulders at the moment is slightly padded.

Dyeing for a change

TIGHTS, too, brought in a large post-bag and a collection of grey ribbed tights all in exactly the kind of grey that doesn't match any of my grey clothes.

Milk or cream

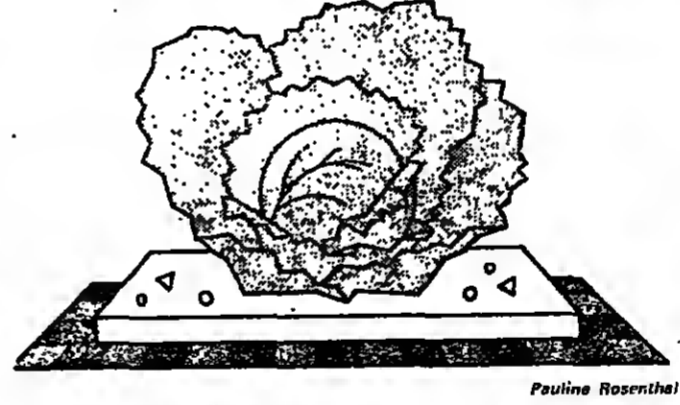
A CURIOUS myth about Oloroso sherry is that it is naturally sweet, whereas like all sherry, the must is fully fermented out and all the natural sugar in the grape is converted into alcohol.

Wine

A 30-year-old cream had something of that flavour, while really old vintages of both wines, including 1851 and 1862, had delicious bouquets, but had become very dry.

Cookery

Cinderella goes to the ball



THE IMAGE of cabbage has changed dramatically. Once upon a time cabbage was the Cinderella of vegetables, often despised and maltreated.

HARRODS SALE DAVID MORRIS IS OFFERING 50% DISCOUNT ...on selected models of Piaget, Faume & Mercier, Van Cleef & Arpels and Vacheron Constantin watches during Harrods sale, until the 1st February in the David Morris Room, Ground Floor, Harrods, Knightsbridge, London SW1X 7XL. Tel: 01-730 1234. Ext: 2551.

Austin Kaye will buy any good used watch. Top prices paid for Rolex * Piaget * Cartier * Vacheron * Patek * Moonphase * Gold repeater Pocket Watches. Send your watch by registered post, or come in for a free valuation now. Payment made by return of post.

SEAWEED SPRING GREENS I hate deep-fat frying but this snack food is so delicious and so cheap that I cannot resist making it once in a while.

FINANCIAL TIMES SURVEY CLOCKS and WATCHES To be published on SATURDAY 19th April, 1986 For details of Advertising Rates please contact JULIA CARRICK 01-489 0029 Publication date is subject to change at the discretion of the Editor FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER Philippa Davenport

BOOKS

Rough road back

A HELL OF A LICKING: THE RETREAT FROM BURMA 1941-1942 by James Lunt, Collins, £18.00, 318 pages

THE STORY of British relations with Burma is on the whole a lamentable tale...

began the campaign 5,800 strong: 490 of them reached India. His memories are of regret and humiliation...

A Hell of a Licking: The Retreat from Burma 1941-42 is a very good book. First, it is attractively readable...

But what sort of a book? This is harder to identify than its merit. In part it is personal reminiscence...

As the RAF pulled out en bloc (what else could they do?) the Japanese demonstrated their terrifying barbarity...

The author describes in almost Shakespearean imagery the evacuation of Rangoon without a fight and the chaotic panic which rolled northward...

played by individual formations and, where relevant, individual battalions and support troops...

The author slips smoothly from eyewitness narrative to "broad-brush" treatment of particular battles...

Ely's mother, Xenia, was Russian, but his father was brought up in Titusville, Pennsylvania...

It is, of course, for contract bridge that Culbertson's name will always be remembered...

Richard Adams



The bridge genius Ely Culbertson (left) in play at the Almack's Club, London, in 1930 during an Anglo-American test match

Always turning up trumps

CULBERTSON by John Clay, Weldonfeld & Nicolson £14.95 228 pages

Ely Culbertson and Contract Bridge are almost synonymous, but you do not have to be a bridge player in order to enjoy this biography...

It is, of course, for contract bridge that Culbertson's name will always be remembered...

tion was to enrol at a university, but he was restless, and decided to chance his luck in San Francisco...

In 1921 he returned to New York, and after playing some auction bridge games, in which he made a modest living...

His first challenge in 1931 was issued to Sidney Lenz, the GOM of auction bridge...

1950 the Official system over 160 rubbers, and the result was victory for the Culbertsons...

In 1934 another important match in London was arranged against Harry Ingram's team...

The famous Blue Book, which explained the Approach-Forcing system, was published in 1930...

E. P. C. Cotter

Golden boy of English song

THE FARTHEST NORTH OF HAPPINESS: LETTERS OF PERCY GRAINGER 1901-1914 edited by Kay Dreyfus, Macmillan, £25.00, 542 pages

PERCY GRAINGER was a maverick, a golden boy from Melbourne with curly hair, a bright blue eyes a little too close together and a sulky mouth...

The link between playing and his kind of composing is long way removed from virtuoso pianism...

These letters cover the period of his European career as pianist and initial success as composer...

Ronald Crichton

ger of being stretched to breaking-point. What he may say in one letter about Jews, Australians or even the beloved Danes is pretty certain to be flatly contradicted in due course...

When they were together Karen, it seems, played her part, but when she realised that Percy would not marry her...

Ronald Crichton

Pioneer sailor

CHRISTOPHER COLUMBUS: A BIOGRAPHY by B. Granzotto, translated by S. Sartorelli, Collins £13.95, 300 pages

THOUGH a great deal is known about Christopher Columbus's discovery of America and his four voyages there...

One thing they had in common. Each one had the support of a Queen for his obsession...

The paradox is that, if he had known or been willing to recognise facts, he would never have made his unparalleled discovery...

A. L. Rowse

thought that the world was much smaller than it is, and that Asia, or the "Indies," projected out into the Atlantic...

Columbus was a projector, with an obsession; where Drake was a practical navigator...

One error seems to have escaped everybody: for "Philip VII" read Ferdinand VII...

A. L. Rowse

Guides and digs

PETER CLAYTON'S Guide to the Archaeological Sites of Britain (Batsford, £14.95 or £9.95 paperback, 240 pages)

As usual the Playfair Football Annual 1986 (Queen Anne Press, £1.95, 256 pages) is packed with information...

In Soccer in the Dock (Collins £8.95, 211 pages) Simon Inglis summarises most of the major football scandals between 1900 and 1965...

A VERY LARGE entry has been received in response to our poetry competition on Halley's Comet...

Piggott (Thames & Hudson, £14.00, 191 pages) is an elegant life of an 18th century antiquary...

William Stukeley by Stuart Gerald Cadogan

Sky Paths Competition

A VERY LARGE entry has been received in response to our poetry competition on Halley's Comet...



James Lunt: officer in the Burma Rifles

Across the generations

WHITE WATER by Joyce Reiser Kornblatt, Chatto and Windus, £9.95, 217 pages

PARADISE by Hugh Fleetwood, Hamish Hamilton, £9.95, 145 pages

LOLA by Delacorte, translated from the French by Victoria Reiter, Viking, £8.95, 119 pages

GUESTS IN THE BODY by Michéle Wandor, Virago, £8.95 (£3.50 paperback), 147 pages

THE SUN IN HORUS by Mariana Villa-Gilbert, Hamish Hamilton, £10.95, 247 pages

WHITE WATER is the first novel of Joyce Reiser Kornblatt, an American who teaches English at the University of Maryland...

White Water is the story of three generations of a modern American family, and is told in first-person narrations by various of the protagonists...

STEVE COPPELL was a highly talented footballer, who combined the roles of right-wing and wing-half with a skill, professional dedication and brains...

into psychological evil. Unfortunately Paradise is not one of his best: it reads flatly, and is manned to no purpose...

Lola is by the author of Diva, which was filmed in France with great success. Delacorte is the pen name of a Swiss novelist called Daniel Odier...

Guests in the Body is by Michéle Wandor, who has successfully adapted many novels (such as Kippis) for radio...

As usual the Playfair Football Annual 1986 (Queen Anne Press, £1.95, 256 pages) is packed with information...



Michéle Wandor: depicting a dybbuk

connected with notions of reincarnation. There can only be one Laac Basbevia Singer, who defeats all those who try to write pastiche of him...

In Soccer in the Dock (Collins £8.95, 211 pages) Simon Inglis summarises most of the major football scandals between 1900 and 1965...

PAWN TO KING THREE



MAHMUD SIPRA, caught in the JOHNSON MATTHEY BANK collapse, mingles fact with fiction in his stunning first novel of power and intrigue in the international shipping world.

"The new Jeffrey Archer" Financial Times

Just published £9.95 Rainbird/Michael Joseph



Kicking the ball about

STEVE COPPELL was a highly talented footballer, who combined the roles of right-wing and wing-half with a skill, professional dedication and brains...

As usual the Playfair Football Annual 1986 (Queen Anne Press, £1.95, 256 pages) is packed with information...

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كتاب الأصيل

ARTS

Long runners full of beans

TWO RECENT news items provoked quails... 46 per cent of West End theatre audiences is made up of tourists...

add group of guests, including a fey young man in a pink froulour who adores cooking and finds policemen attractive...

Lynne's political career; and Jane Bolton's Home Counties hoteliere harassed by homicide excels at a repressed hysteria...

Stepping Out by Richard Harris whose longer runner, The Business of Murder, is still doing business if not murder...



Hugh Paddick, Lyndsey Richardson and Christopher Godwin in "Noises Off"



Robin Langford and Robert Gladwell in "The Mousetrap"

at either extreme of the society depicted. Me and My Girl came to town nearly a year ago...



Shezwe Powell and Lon Satton in "Starlight Express"

Radio Placebos that fail to please

THERE WAS an interesting talk on Radio 4 on Sunday called Pleasing the Patient... While I am on about illusions, however, a good word on illusion...

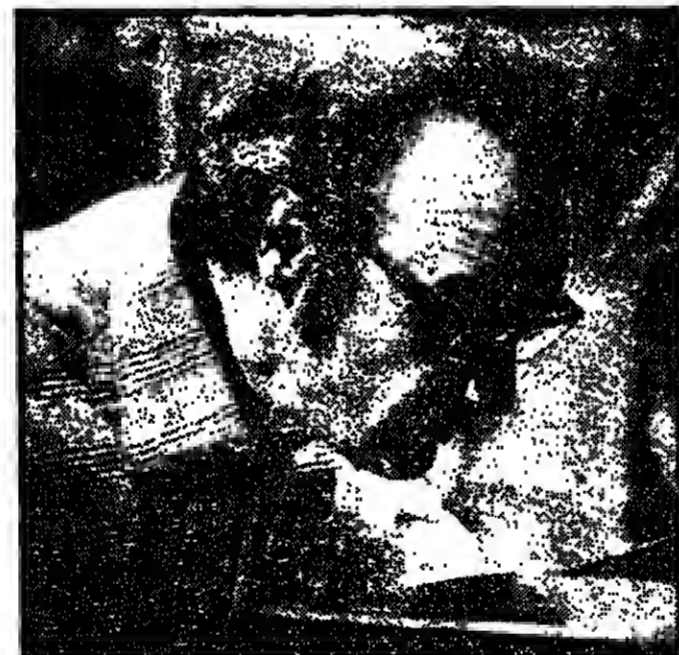
Records

Brendel's progress at peak

MOZART: THE PIANO CONCERTOS. Alfred Brendel, Academy of St Martin-in-the-Fields / Mariner, Philips 412 856-2 (ten compact discs)...

arrangement for two pianos of the triple piano concerto K.242, and two concert rondos; Inno- centi Cooper is Brendel's partner in the double concertos...

K. 450 (recorded in 1981) is particularly curious, with gestures and tonal range kept to the smallest possible scale...



Alfred Brendel

this one work was not re-recorded in the studio at one of the final sessions. In the context of the whole set that is only a minor complaint...

of compact disc highlights such titles in a way that may not be noticed so readily on LP. Certainly Brendel's highly wrought, almost anguished view of minor-key Haydn...

Heritage

£500,000 to save priceless treasures

THE NATIONAL Heritage Memorial Fund is facing the worst crisis in its six year history. It has the task of safeguarding the nation's heritage...

the renovation of the Beamish colliery. With this work load not only has the fund no available resources to rescue any national treasure in sudden danger...

its existing financial capabilities. The Treasure Houses of Britain show at the National Gallery in Washington has not helped. It may do wonders for the tourist trade but it has alerted many owners of masterpieces to the value of their possessions...

month, and to resolve Weston Park, the home of the Earl of Bradford, this year. Kedleston is still far from a solution, and the £25m set aside for all three houses may not be sufficient...

Budget speech. Since its inception in 1980 the National Heritage Memorial Fund has been under-financed. Last minute hand-outs have ensured that no important works of art have left the country and that threatened areas of natural beauty have been saved for the nation...

THE WORLD OF WATERCOLOURS AND DRAWINGS. A new fair for collectors of original works on paper from the 18th century up to contemporary works. From £50 upwards. Opening by Joanna Lumley Jan 22nd at 12 noon. PARK LANE HOTEL, PICCADILLY, LONDON W1. 22nd - 26th JANUARY 1986. 11am - 8pm (last day 7pm) Tel: 01-499 6321

AGNEW 113th ANNUAL WATERCOLOUR EXHIBITION. 20 January-21 February. We will also be exhibiting 20th century Drawings and Watercolours at The World of Watercolours, Park Lane Hotel. 22-25 January Stand F.1. 43 OLD BOND STREET, LONDON W1. Tel: 01-629 6176. Mon-Fri 9.30-5.30 pm. Thurs until 6.30 pm

CHRISTIE'S The right place for Ceramics and Glass. Hugo Morley-Fletcher 8 King Street, St James's London SW1 Tel: (01) 839 9060. Paul Barbaud 85 Old Brompton Road London SW7 Tel: (01) 581 7611

Hunting Group Art Prizes 1986. NATIONAL OPEN ART COMPETITION. Prizes totalling £15,000. Entry details from The Mail Office, 17 Carlton House Terrace, London SW1Y 5BU. Tel: 01-530 6264

